

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: March 26, 2026

Findings Date: March 26, 2026

Project Analyst: Gregory F. Yakaboski

Co-Signer: Lisa Pittman

Project ID #: O-12703-25

Facility: Columbus Regional East

FID #: 250954

County: Columbus

Applicant(s): Columbus Regional Healthcare System

Project: Develop a new 30-bed hospital by relocating no more than 30 acute care beds and one operating room from Columbus Regional Healthcare System

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

Columbus Regional Healthcare System, hereinafter referred to as “the applicant” or “CRHS” proposes to develop a new 30 acute care (AC) bed hospital campus, Columbus Regional East, by relocating no more than 30 AC beds and one operating room (OR) from the only existing acute care hospital in Columbus County, Columbus Regional Healthcare System (Columbus Regional). Columbus Regional is in Whiteville and is licensed for 154 AC beds. Columbus Regional East would be in Delco. Columbus Regional East would operate under Columbus Regional’s hospital license (H0045). The proposed location, 26133 Andrew Jackson Hwy E, Delco, is currently owned by Columbus County and leased to CRHS.

In Section C, pages 29-30, the applicant provides a full description of the proposed project set forth below:

“Columbus Regional East will provide a full spectrum of healthcare services designed to meet the diverse needs of area residents, from emergency care and surgical procedures to specialized oncology treatments and intensive care services. By establishing an appropriately sized community hospital campus in Delco, CRHS will significantly reduce travel times for patients seeking hospital care and create a new healthcare destination that enhances the overall wellbeing of the community. Specifically, CRHS proposes to deliver a range of high- demand services matched to the needs of the population, including:

- *30 licensed acute care beds (relocated from the Whiteville campus)*
- *Five unlicensed observation beds*
- *One licensed operating room (relocated from the Whiteville campus)*
- *Three procedure rooms*
- *11 emergency department (ED) treatment rooms*
- *Oncology services including 12 infusion chairs*
- *Imaging services including one CT scanner, two fixed X-ray units, two ultrasound units, 1 SPECT-CT scanner, and an external mobile technology pad to facilitate mobile MRI services*

The proposed project includes five distinct service components:

- ***Inpatient Services:*** *This component includes all services provided to inpatients during their stay, such as room and board, emergency, surgery, imaging, pharmacy, laboratory, therapy, and other ancillary and support services.*
- ***Ambulatory Surgical Services:*** *This component includes all services provided to outpatient surgery patients, such as surgery, procedures in the procedure room, laboratory, imaging, and other ancillary and support services.*
- ***Outpatient ED Services:*** *This component includes all emergency services and observations provided to patients who receive treatment and are discharged without requiring hospital admission.*
- ***Outpatient Imaging Services:*** *This component includes all imaging services provided to outpatients.*
- ***Outpatient Infusion Services:*** *This component includes all services provided to outpatients requiring infusion or injections*

In addition to these five distinct service components, all other outpatient ancillary and support services, such as laboratory, pharmacy, physical, speech, and occupational therapy, along with general and administrative expenses are included in Other Outpatient Ancillary Services...”

Need Determination

The proposed project does not involve the addition of any new health service facility beds, services, or equipment for which there is a need determination in the 2025 State Medical Facilities Plan (SMFP). Therefore, no need determinations are applicable to this review.

Policies

There is one policy in Chapter 4 of the 2025 SMFP that is applicable to this review: *Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities*.

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

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

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

Any person awarded a certificate of need for a project or an exemption from review pursuant to G.S. 131E-184 is required to submit a plan of 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.”

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

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

- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-4* based on the following:
 - The applicant adequately demonstrates that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

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

C

The applicant proposes to develop a new 30 AC bed hospital, Columbus Regional East, by relocating no more than 30 AC beds and one OR from Columbus Regional.

Patient Origin

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

As shown in Table 5A, page 40 of the 2025 SMFP, the only existing and approved acute care beds in Columbus County are the 154 AC beds at Columbus Regional.

Operating Rooms: On page 49, the 2025 SMFP states, “*An OR’s service area is the single or multicounty grouping shown in Figure 6.1.*” Columbus Regional East is proposed to be in Columbus County. In Figure 6.1, page 55 of the 2025 SMFP, Columbus County is shown as its own OR service area. Thus, the operating room service area for this facility is Columbus County. Facilities may also serve residents of counties not included in the service area.

As shown in Table 6A, page 58 of the 2025 SMFP, the only existing and approved ORs in Columbus County are the 5 ORs at Columbus Regional.

Columbus Regional East is not an existing facility. The following tables illustrate and projected patient origin for the entire facility as well as specifically for inpatient services, ambulatory surgical services, emergency outpatient services, outpatient imaging services and outpatient infusion services.

The applicant identified patient origin by ZIP Code and included both a primary service area (PSA) and a secondary service area (SSA). There are four ZIP codes in the PSA and three ZIP codes in the SSA as illustrated in the table below.

PSA		
ZIP Code	Counties*	Towns**
28423	Columbus County	Bolton
28436	Columbus County	Delco
28451	Brunswick (note- primarily serves the Town of Leland)	Leland
28456	Columbus County and small parts of Brunswick and Bladen counties	Riegelwood
SSA		
28434	Bladen County	Council
28450	Columbus County	Lake Waccamaw
28479	Brunswick County	Winnabow

*County descriptions based on Google Search.

**See page 119 of the application.

Entire Facility: Columbus Regional East						
ZIP Code	1st FFY (10/1/2029 – 9/30/2030)		2nd FFY (10/1/2030– 9/30/2031)		3rd FFY (10/1/2031 – 9/30/2032)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Primary Service Area (PSA)*	17,872	75.9%	24,398	75.9%	31,228	75.9%
Secondary Service Area (SSA)**	2,210	14.1%	4,519	14.1%	5,785	14.1%
Other	2,354	10.0%	3,213	10.0%	4,113	10.0%
Total	23,535	100.0%	32,130	100.0%	41,126	100.0%

Source: Section C, page 39.

*PSA consists of ZIP Codes: 28423, 28436, 28451, 28456.

**SSA consists of ZIP Codes: 28434, 28450, 28479.

Inpatient Services (discharges): Columbus Regional East						
ZIP Code	1st FFY (10/1/2029 – 9/30/2030)		2nd FFY (10/1/2030– 9/30/2031)		3rd FFY (10/1/2031 – 9/30/2032)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
PSA*	635	75.9%	870	75.9%	1,116	75.9%
SSA**	118	14.1%	161	14.1%	207	14.1%
Other	84	10.0%	115	10.0%	147	10.0%
Total	836	100.0%	1,145	100.0%	1,470	100.0%

Source: Section C, page 36.

*PSA consists of ZIP Codes: 28423, 28436, 28451, 28456.

**SSA consists of ZIP Codes: 28434, 28450, 28479

Ambulatory Surgical Cases: Columbus Regional East						
ZIP Code	1 st FFY (10/1/2029 – 9/30/2030)		2 nd FFY (10/1/2030– 9/30/2031)		3 rd FFY (10/1/2031 – 9/30/2032)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
PSA*	1,168	75.9%	1,599	75.9%	2,053	75.9%
SSA**	216	14.1%	296	14.1%	380	14.1%
Other	154	10.0%	211	10.0%	270	10.0%
Total	1,538	100.0%	2,106	100.0%	2,703	100.0%

Source: Section C, page 37.

Note: Ambulatory Surgical Cases includes both outpatient OR and procedure room cases.

*PSA consists of ZIP Codes: 28423, 28436, 28451, 28456.

**SSA consists of ZIP Codes: 28434, 28450, 28479

Emergency Outpatient Services: Columbus Regional East						
ZIP Code	1 st FFY (10/1/2029 – 9/30/2030)		2 nd FFY (10/1/2030– 9/30/2031)		3 rd FFY (10/1/2031 – 9/30/2032)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
PSA*	5,196	75.9%	7,114	75.9%	9,131	75.9%
SSA**	962	14.1%	1,318	14.1%	1,691	14.1%
Other	684	10.0%	937	10.0%	1,203	10.0%
Total	6,843	100.0%	9,369	100.0%	12,025	100.0%

Source: Section C, page 37.

*PSA consists of ZIP Codes: 28423, 28436, 28451, 28456.

**SSA consists of ZIP Codes: 28434, 28450, 28479.

Outpatient Imaging Services: Columbus Regional East						
ZIP Code	1 st FFY (10/1/2029 – 9/30/2030)		2 nd FFY (10/1/2030– 9/30/2031)		3 rd FFY (10/1/2031 – 9/30/2032)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
PSA*	8,894	75.9%	12,177	75.9%	15,631	75.9%
SSA**	1,647	14.1%	2,256	14.1%	2,895	14.1%
Other	1,171	10.0%	1,604	10.0%	2,058	10.0%
Total	11,713	100.0%	16,037	100.0%	20,585	100.0%

Source: Section C, page 37.

*PSA consists of ZIP Codes: 28423, 28436, 28451, 28456.

**SSA consists of ZIP Codes: 28434, 28450, 28479.

Outpatient Infusion Services: Columbus Regional East						
ZIP Code	1st FFY (10/1/2029 – 9/30/2030)		2nd FFY (10/1/2030– 9/30/2031)		3rd FFY (10/1/2031 – 9/30/2032)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
PSA*	1,978	75.9%	2,638	75.9%	3,297	75.9%
SSA**	366	14.1%	489	14.1%	611	14.1%
Other	261	10.0%	347	10.0%	434	10.0%
Total	2,605	100.0%	3,474	100.0%	4,342	100.0%

Source: Section C, page 38.

*PSA consists of ZIP Codes: 28423, 28436, 28451, 28456.

**SSA consists of ZIP Codes: 28434, 28450, 28479.

In Section Q, Form C *Utilization-Assumption and Methodology*, pages 118-144, and Exhibit Q.2, the applicant provides the assumptions and methodology used to project patient origin. The applicant’s assumptions are reasonable and adequately supported.

Analysis of Need

In Section C, pages 40-53, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- A growing population that is shifting inland, farther from existing hospital facilities (pages 40-49)
- Distinctive demographic traits and healthcare needs in this emerging population center (pages 49-51)
- A region lacking accessible capacity and patients lacking options (pages 52-53)

The information is reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, remarks made at the public hearing, and information publicly available during the review and used by the Agency, including, but not limited to, the highlighted points listed below:

- The applicant uses clearly cited, reasonable, and verifiable historical and demographical data to make the assumptions regarding identifying the population to be served.
- The applicant uses a reasonable methodology and reasonable assumptions to demonstrate the need the population projected to be served has for the proposed acute care bed services.

Projected Utilization

In Section Q, Forms C.1b, page 114, Form C.2b, page 115, and C.3b, page 116, C.4b, page 117, the applicant provides projected utilization for its acute care beds, procedure rooms, emergency department, medical equipment and other hospital services, as illustrated in the following tables.

Acute Care Beds

Columbus East- Projected Acute Care Bed Utilization

	1st FFY 10/1/2029 – 9/30/2030	2nd FFY 10/1/2030 – 9/30/2031	3rd CY 10/1/2031 – 9/30/2032
Total # of Beds	30	30	30
# of Discharges	836	1,145	1,470
# of Patient Days	4,314	5,907	7,582
ALOS	5.2	5.2	5.2
Occupancy Rate	39.4%	53.9%	69.2%

Source: Form C.1b, page 114.

Columbus East: OR and Procedure Rooms

	1st FFY 10/1/2029 – 9/30/2030	2nd FFY 10/1/2030 – 9/30/2031	3rd CY 10/1/2031 – 9/30/2032
Operating Rooms			
Shared # of OR	1	1	1
IP Surgical Cases	194	266	341
OP Surgical Cases	768	1,052	1,350
Total # of Surgical Cases	963	1,318	1,692
Procedure Rooms			
# of Procedure Rooms	3	3	3
Inpatient Procedures	83	113	146
Outpatient Procedures	770	1,054	1,353
Total Procedures	284	389	499

Source: Form C.3b, page 116.

Columbus East: ED, Observation Beds, Ancillary and Support Services

	PY1	PY2	PY3
Emergency Department			
# of Treatment Rooms	11	11	11
# of Visits	7,507	10,278	13,193
Observation Beds (unlicensed)			
# of Beds	5	5	5
Days of Care	965	1,322	1,696
Laboratory			
Tests	135,664	185,746	238,421
Physical Therapy			
Treatments	8,425	11,535	14,807
Speech Therapy			
Treatments	341	467	599
Occupational Therapy			
Treatments	785	1,074	1,379
Pharmacy Cases			
Units	180,135	246,634	316,576
Respiratory Therapy			
Treatments	10,401	14,241	18,279
Infusion Therapy			
Treatments	2,605	3,474	4,342
CT Scanner			
# of Units	1	1	1
# of Scans	4,147	5,678	7,288
Fixed X-Ray (including fluoro)			
# of Units	2	2	2
# of Procedures	6,422	8,792	11,286
MRI Scanner			
# of Units	Mobile	Mobile	Mobile
# of Procedures	661	905	1,162
# of Adjusted Procedures	822	1,125	1,444
Nuclear Medicine			
# of Units	1	1	1
# of Procedures	381	522	670
Ultrasound			
# of Units	2	2	2
# of Procedures	1,896	2,597	3,333
Other Medical Equipment (Ekg/Echo/Stress Test)			
# of Units	3	3	3
# of Procedures	506	692	889

Source: Section Q, Form C.2b, page 115, and Form C.4b, page 117.

In Section Q, *Form C Utilization-Assumptions and Methodology*, pages 118-144, the applicant provides the assumptions and methodology used to project utilization for the proposed acute

care beds, OR, procedure rooms, emergency department, medical equipment and other hospital services, which is summarized below.

Background (page 118)

SECTION I: DEFINE COLUMBUS REGIONAL EAST'S SERVICE AREA (see pages 119-120)

PSA		
ZIP Code	Counties*	Towns**
28423	Columbus County	Bolton
28436	Columbus County	Delco
28451	Brunswick (note- primarily serves the Town of Leland)	Leland
28456	Columbus County and small parts of Brunswick and Bladen counties	Riegelwood
SSA		
28434	Bladen County	Council
28450	Columbus County	Lake Waccamaw
28479	Brunswick County	Winnabow

*County descriptions based on Google Search.

**See page 119 of the application.

Acute Care Beds

SECTION II: PROJECT ACUTE CARE BED UTILIZATION (see pages 120-126)

Project Acute Care Days to Shift from Columbus Regional to Columbus Regional East

Step #1: Project Acuity-Appropriate Acute Care Days at Columbus Regional from Columbus Regional East Service Area Prior to Shift (pages 120-121).

Step #2: Shift a Portion of Projected Acuity-Appropriate Acute Care Days at Columbus Regional from Columbus Regional East Service Area to Columbus Regional East (pages 121-122).

The applicant identified acuity-appropriate acute care days at Columbus Regional from the service area (both PSA and SSA) and projected those acute care days through the third project year (FY2032) based on a CAGR of 2.7%. The CAGR of 2.7% is the projected 5-year CAGR for population growth in the projected service area based on Esri. See Exhibit Q.2. The applicant then projected for acuity-appropriate acute care days 80% from the PSA would “shift” from Columbus Regional to Columbus Regional East and 50% from the SSA would “shift” to Columbus Regional East.

Project Market-Based Acute Care Days at Columbus Regional East

Step #1: Project Acuity-Appropriate Acute Care Days at Hospitals Outside of CRHS in Columbus Regional East Service Area (page 122-123)

Step 2: Project Columbus Regional East's Market Capture of Acuity-Appropriate Acute Care Days outside of CRHS from Columbus Regional East Service Area (page 123)

Utilizing HIDI inpatient market data via Atrium Health the applicant identified the historical (FY2022 – FY2024) acuity-appropriate acute care days originating from the identified service area of Columbus Regional East at hospitals not including Columbus Regional and calculated the historical 2-year CAGR for the PSA and SSA for FY2022-FY2024. The CAGR for the PSA is 5.4%, for the SSA it is 9.2%, and for the overall service area it is 6.0%.

The applicant then utilized a CAGR of 2.7% (representing the projected 5 year population growth of the Columbus Regional East service area) to project the acuity-appropriate acute care days for the PSA and the SSA through the third project year.

The applicant then calculated the PSA and SSA historic (FY2024) market share of acuity-appropriate acute care days of neighboring community hospitals. The FY2024 PSA market share was 27.6% and the SSA market share was 14.2%. The applicant relied on HIDI inpatient market data via Atrium Health.

Based on this the applicant projected Columbus Regional East would capture 27.6% of the acuity-appropriate acute care days originating from the PSA and 14.2% of the acuity-appropriate acute care days originating from the SSA.

Project Acute Care Utilization at Columbus Regional East

Step 1: Combine Projected Acute Care Days from Columbus Regional and the Market (page 124)

Step 2: Calculate In-Migration (page 124)

The applicant projected 10% in-migration based on analysis of in-migration of North Carolina hospitals (See Exhibit Q.3). The applicant states that all hospitals in North Carolina have in-migration greater than 10% except three.

Step 3: Apply Ramp-Up (page 125)

Project Discharges at Columbus Regional East (pages 125-126)

The applicant divided projected acute care days by the projected ALOS of 5.2 to derive projected discharges.

Summary

Columbus Regional East: Projected Acute Care Days

Row		PY1 FY2030	PY2 FY2031	PY3 FY2032
A	Shift from Columbus Regional	1,014	1,041	1,069
B	Market Capture from identified Columbus Regional East Service Area	5,457	5,604	5,754
C	In-Migration	719	738	758
D	Total Projected Acute Care Days	7,190	7,384	7,582
E	Ramp Up	60.0%	80.0%	100.0%
F	Total Acute Care Days at Columbus East	4,314	5,907	7,582
G	# of Acute Care Beds	30	30	30
H	Average Daily Census	12	16	21
I	Projected Occupancy Rate	39.4%	53.9%	69.2%
J	Total Discharges	836	1,145	1,470
K	Average Length of Stay	5.2	5.2	5.2

Operating Rooms

SECTION III: PROJECT OPERATING ROOM UTILIZATION (See pages 126-128)

Project Surgical Cases at Columbus Regional East

Step 1: Project Inpatient Surgical Cases at Columbus Regional East (pages 126-127)

Step 2: Project Outpatient Surgical Cases at Columbus Regional East (pages 127-128)

Procedure Rooms

SECTION IV: PROJECT UTILIZATION FOR PROCEDURE ROOMS, EMERGENCY SERVICES, AND OBSERVATION DAYS (see pages 128-133)

Project Procedure Room Utilization

Step 1: Project Inpatient Procedures at Columbus Regional East (pages 128-129)

Step 2: Project Outpatient Procedures at Columbus Regional East (pages 129-130)

Emergency Services

Project Emergency Services Utilization

Step 1: Project Admitted ED Patients (page 130)

Step 2: Project ED Patients That Are Not Admitted (pages 130-131)

Step 3: Project Total ED Visits at Columbus Regional East (page 131)

Observation Beds

Project Observation Bed Utilization (page 132-133)

Imaging and Other Ancillary Services

SECTION V: PROJECT UTILIZATION OF IMAGING AND OTHER ANCILLARY SERVICES
(page 133-143)

Project CT Utilization

Step 1: Project Inpatient CT scans at Columbus Regional East (pages 133-134)

Step 2: Project Outpatient CT scans at Columbus Regional East (page 134)

Step 3: Project Total CT Utilization at Columbus Regional East (page 134)

Project MRI Utilization

Step 1: Project Inpatient MRI Scans at Columbus Regional East (page 135)

Step 2: Project Outpatient MRI Scans at Columbus Regional East (pages 135-136)

Step 3: Project Total MRI Utilization at Columbus Regional East (page 136)

Step 4: Project Inpatient MRI Scans With and Without Contrast at Columbus Regional East (page 136)

Step 5: Project Outpatient MRI Scans With and Without Contrast at Columbus Regional East (page 137)

Step 6: Project Total Weighted MRI Utilization at Columbus Regional East (pages 137-138)

Project Utilization of Other Imaging (pages 138-140)

Project Utilization of Ancillary Services (pages 140-143)

Infusion Therapy

SECTION VI: PROJECT INFUSION THERAPY UTILIZATION (page 143-144)

Projected utilization is reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, remarks made at the public hearing, and information publicly available during the review and used by the Agency, including, but not limited to, the highlighted points listed below:

- The identified service area consists of seven ZIP codes, divided into a PSA and an SSA. The applicant documents, based on Esri data, that the population of the service area is projected to grow at a CAGR of 2.7% from 2025 to 2030, or by approximately 10,000 residents. See Exhibit Q.2.
- The applicant projects acute care days based on three sources: #1) “shifting” from Columbus Regional to Columbus Regional East, #2) market capture of acuity appropriate patients leaving the identified service area to other hospitals exclusive of Columbus Regional; and #3) in-migration.
- The applicant based the “shifting” of acute care days from Columbus Regional to Columbus Regional East on acuity-adjusted patients projected forward at the projected population growth of the identified service area of 2.7% with the applicant projecting that 80% of the patients from the PSA would “shift” and 20% of the patients from the SSA would shift. This is the equivalent of “market capture” however just based on acuity-appropriate patients currently utilizing Columbus Regional. Columbus Regional East will operate under the hospital license of Columbus Regional.
- The applicant also projected “market capture” of acuity appropriate patients from the identified service area currently leaving the service area to receive care at a hospital other than Columbus Regional. Based on HIDi data, the historic 2-year CAGR (FY2022-FY2024) of acuity-appropriate acute care days at other hospitals from patients residing in the PSA or SSA was 5.4% and 9.2% respectively or 6.0% overall. The applicant conservatively projected the acuity-appropriate acute care days forward at the projected population growth of 2.7% for the service area of Columbus Regional East and then projected to “capture” 27.6% of those acute care days from the PSA and 14.2% of those days from the SSA which percentages were based on average PSA and SSA market share of neighboring community hospitals. (See application page 123).
- The applicant based projected “in-migration” patients at 10% from outside the identified service area. The applicant states that the 10% assumption is conservative stating that all hospitals in North Carolina, except for three, have in-migration greater than 10%. See Exhibit Q.3.
- The applicant applies a three year “ramp-up” of 60%, 80% and then 100% in projecting acute care days. (See page 125 of the application).
- The applicant calculates discharges from projected acute care days utilizing the most recent historic (FY2024) ALOS of 5.2 for acuity-appropriate patients from the Columbus Regional East service area which is the lowest ALOS from FY2022-FY2024. (See application page 125).
- The applicant, to project utilization for the OR, procedure rooms, emergency services, observation days, imaging and other ancillary services, reasonably relied on historic ratios or percentages from either the patients from the projected service area or Columbus Regional, in conjunction with the projected acute care discharges from Columbus Regional East, which was reasonable and adequately supported.
- The applicant relied on data from Esri, HIDi and internal data from Columbus Regional.
- The proposed Columbus Regional East hospital campus in Delco is located near major traffic corridors. The applicant addresses the location of existing hospital campuses

in the area, including driving times and traffic congestion. (See application pages 41-53).

- The applicant has four clinics in the Town of Leland: Advanced Primary Care; Advanced Imaging; Advanced Orthopedics and Advanced Urology. The applicant states that the four clinics were established in 2021 and that the clinics are providing more than 11,250 outpatient encounters annually. Columbus Regional East’s PSA includes ZIP code 28451, which primarily serves the Town of Leland.

Access to Medically Underserved Groups

In Section C.6, page 60, the applicant states:

“Columbus Regional Healthcare System provides services to all persons in need of medical care, regardless of race, color, religion, national origin, sex, age, disability, or source of payment. As noted in the policy statement: ‘Columbus Regional Healthcare System does not exclude people or treat them differently because of race, color, national origin, age, disability or sex.’ CRHS will continue to serve the entire community, as dictated by its simple but profound mission to ‘Provide compassionate care, advance healing and inspire hope for our patients and their loved ones.’ No one is excluded from that mission, including the medically underserved.”

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	na*
Racial and ethnic minorities	24.3%
Women	52.9%
Persons with Disabilities	na*
Persons 65 and older	47.5%
Medicare beneficiaries	56.6%
Medicaid recipients	10.1%

Source: Table on page 62 of the application.

*The applicant does not maintain data that includes the number of disabled or low income persons it serves.

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 table above provides an estimated percentage for each category of patients to be served at Columbus Regional East during the third full fiscal year of the project. These percentages for racial and ethnic minorities, women, and persons 65 and older are derived by applying the ratio of patients seen at Columbus Regional compared to the Columbus County population (see Section L.1.b) to Esri population estimates for the seven ZIP codes in Columbus Regional East’s service area.”*

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

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

- (3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, ... persons [with disabilities], and other underserved groups and the elderly to obtain needed health care.

C

The applicant proposes to develop a new 30 AC bed hospital, Columbus Regional East, by relocating no more than 30 AC beds and one OR from Columbus Regional.

In Section D, pages 67-68, the applicant explains why it believes the needs of the population presently utilizing the acute care bed and OR services to be relocated will be adequately met following completion of the project. On pages 67-68, the applicant states:

“Columbus Regional Healthcare System currently has 154 licensed acute care beds and five shared operating rooms at its Whiteville Campus. Relocating 30 beds and one shared operating room to eastern Columbus County represents roughly a 20 percent shift in these resources – moving them closer to patients in fast-growing communities that are currently underserved. (One additional operating room dedicated to C-sections is not affected by this proposal and will remain in Whiteville.) As shown in Form D, Columbus Regional will maintain sufficient capacity to care for its patients in Whiteville while Columbus Regional East will greatly increase access for patients in the Delco/Leland area.

...

After the opening of a new campus in Delco, Columbus Regional will still have 124 beds, four shared operating rooms, and one dedicated C-section room at its Whiteville campus. These resources are sufficient to meet the needs of underserved or higher risk populations in Columbus County, as evidenced by the projected utilization in Form D. Meanwhile,

Columbus Regional East will bring much improved access to these same population groups living in eastern Columbus County and nearby communities.”

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

- Columbus Regional currently has 154 acute care beds. In the last full historical year (FY2024) Columbus Regional has an occupancy rate of 27.8% (See Section Q, Form D and Form D *Utilization- Assumptions and Methodology*, pages 145 and 147 respectively).
- In the third project year (FY2032) Columbus Regional, after accounting for both the projected relocation of 30 AC beds to Columbus Regional East and the projected shift of patients to Columbus Regional East, has a projected occupancy for acute care beds of 33.2%. (See Form D *Utilization- Assumptions and Methodology*, page 148.)
- Columbus Regional currently has five shared ORs (excluding C-Section ORs). In the last full historical year (FY2024) Columbus Regional has a surplus of 2.4 ORs (See Section Q, Form D, page 151.)
- In the third project year (FY2032) Columbus Regional, after accounting for both the projected relocation of one OR to Columbus Regional East and the projected shift of patients to Columbus Regional East, has a projected surplus of 1.5 ORs. (See Section Q and Form D *Utilization- Assumptions and Methodology*, page 151.)

Acute Care Beds

In Section Q, Form D, page 145, the applicant provides historic, interim and projected utilization of the acute care beds at Columbus Regional, as illustrated in the following tables.

Columbus Regional- Historic and Interim Acute Care Bed Utilization

	Last FFY 10/1/2023 – 9/30/2024	Interim FFY 10/1/2024 – 9/30/2025	Interim FFY 10/1/2025 – 9/30/2026
Total # of Beds	154	154	154
# of Discharges	3,066	3,076	3,086
# of Patient Days	15,706	15,756	15,807
ALOS	5.12	5.12	5.12
Occupancy Rate	27.9%	28.0%	28.1%

Source: Form D.1, page 145.

Note: Totals might not foot due to rounding.

Columbus Regional- Interim Acute Care Bed Utilization

	Interim FFY 10/1/2026 – 9/30/2027	Interim FFY 10/1/2027 – 9/30/2028	Interim FFY 10/1/2028 – 9/30/2029
Total # of Beds	154	154	154
# of Discharges	3,096	3,106	3,116
# of Patient Days	15,858	15,909	15,960
ALOS	5.12	5.12	5.12
Occupancy Rate	28.2%	28.3%	28.4%

Source: Form D.1, page 145.

Note: Totals might not foot due to rounding.

Columbus Regional- Projected Acute Care Bed Utilization

	1stFFY 10/1/2029– 9/30/2030	1stFFY 10/1/2030– 9/30/2031	1stFFY 10/1/2031– 9/30/2032
Total # of Beds	124	124	124
# of Discharges	3,008	2,974	2,938
# of Patient Days	15,403	15,230	15,045
ALOS	5.12	5.12	5.12
Occupancy Rate	34.0%	33.6%	33.2%

Source: Form D.1, page 148 and Form D *Utilization- Assumptions and Methodology*, page 148.

Note: Totals might not foot due to rounding.

Operating Rooms

In Section Q, Form D, page 146, Form D *Utilization- Assumptions and Methodology*, page 151, the applicant provides historic, interim and projected utilization of the ORs at Columbus Regional, as illustrated in the following tables.

Columbus Regional: Historic and Interim OR Utilization

Row	Operating Rooms	Last FFY 10/1/2023 – 9/30/2024	Interim FFY 10/1/2024 – 9/30/2025	Interim FFY 10/1/2025 – 9/30/2026
A	Inpatient Surgical Cases	731	733	736
B	Inpatient Surgical Case Times (in Minutes)	95.7	95.7	95.7
C	Inpatient Surgical Hours	1,166	1,170	1,173
D	Outpatient Surgical Cases	2,893	2,902	2,912
E	Outpatient Surgical Case Times (in Minutes)	55.6	55.6	55.6
F	Outpatient Surgical Hours	2,681	2,689	2,698
G	Total Surgical Cases (Row A + Row D)	3,624	3,636	3,647
H	Total Surgical Hours (Row C + Row F)	3,847	3,859	3,872
I	Group Assignment	4	4	4
J	Standard Hours per OR per Year	1,500	1,500	1,500
K	Number of ORs Needed* (Row H / Row J)	2.6	2.6	2.6
L	Approved OR capacity**	5	5	5
M	OR Surplus/ (Deficit) (Row K- Row L)	2.4	2.4	2.4

Source: Section Q, Form D.3, page 146.

Note: Totals might not foot due to rounding.

Columbus Regional: Interim OR Utilization

Row	Operating Rooms	Interim FFY 10/1/2026 – 9/30/2027	Last FFY 10/1/2027 – 9/30/2028	Interim FFY 10/1/2028 – 9/30/2029
A	Inpatient Surgical Cases	738	740	743
B	Inpatient Surgical Case Times (in Minutes)	95.7	95.7	95.7
C	Inpatient Surgical Hours	1,177	1,181	1,185
D	Outpatient Surgical Cases	2,921	2,930	2,940
E	Outpatient Surgical Case Times (in Minutes)	55.6	55.6	55.6
F	Outpatient Surgical Hours	2,707	2,715	2,724
G	Total Surgical Cases (Row A + Row D)	3,659	3,671	3,683
H	Total Surgical Hours (Row C + Row F)	3,884	3,896	3,909
I	Group Assignment	4	4	4
J	Standard Hours per OR per Year	1,500	1,500	1,500
K	Number of ORs Needed* (Row H / Row J)	2.6	2.6	2.6
L	Approved OR capacity**	5	5	5
M	OR Surplus/ (Deficit) (Row K- Row L)	2.4	2.4	2.4

Source: Section Q, Form D.3, page 146.

Note: Totals might not foot due to rounding.

Columbus Regional: Projected OR Utilization

Row	Operating Rooms	1stFFY 10/1/2029 – 9/30/2030	2nd FFY 10/1/2030 – 9/30/2031	3rd FFY 10/1/2031 – 9/30/2032
A	Inpatient Surgical Cases	717	709	701
B	Inpatient Surgical Case Times (in Minutes)	95.7	95.7	95.7
C	Inpatient Surgical Hours	1,143.6	1,130.8	1,118.1
D	Outpatient Surgical Cases	2,838	2,806	2,773
E	Outpatient Surgical Case Times (in Minutes)	55.6	55.6	55.6
F	Outpatient Surgical Hours	2,629.9	2,600	2,569.9
G	Total Surgical Cases (Row A + Row D)	3,555	3,515	3,474
H	Total Surgical Hours (Row C + Row F)	3,774	3,731	3,687
I	Group Assignment	4	4	4
J	Standard Hours per OR per Year	1,500	1,500	1,500
K	Number of ORs Needed* (Row H / Row J)	2.5	2.5	2.5
L	Approved OR capacity**	4	4	4
M	OR Surplus/ (Deficit) (Row K- Row L)	1.5	1.5	1.5

Source: Form D.3, page 146, and Form D *Utilization- Assumptions and Methodology*, page 151.

Note: Totals might not foot due to rounding.

The project analyst notes that in the tables above (from page 146) the applicant utilized the incorrect IP and OP case times. The applicant used 95.7 minutes for IP cases and 55.6 minutes for OP cases. The correct case time for IP cases is 99.5 and for OP cases it is 53.5. In the table below the project analyst calculated projected OR utilization at Columbus Regional for the first three project years after one OR would be relocated to Columbus Regional East. As shown in the table below for the first three project years Columbus Regional has a surplus of ORs after one OR is relocated to Columbus Regional.

CORRECTED: Columbus Regional: Projected OR Utilization

Row	Operating Rooms	1stFFY 10/1/2029 – 9/30/2030	2 nd FFY 10/1/2030 – 9/30/2031	3 rd FFY 10/1/2031 – 9/30/2032
A	Inpatient Surgical Cases	717	709	701
B	Inpatient Surgical Case Times (in Minutes)	99.5	99.5	99.5
C	Inpatient Surgical Hours	1,189	1,175.7	1,162.5
D	Outpatient Surgical Cases	2,838	2,806	2,773
E	Outpatient Surgical Case Times (in Minutes)	53.5	53.5	53.5
F	Outpatient Surgical Hours	2,530.6	2,502.0	2,472.6
G	Total Surgical Cases (Row A + Row D)	3,555	3,515	3,474
H	Total Surgical Hours (Row C + Row F)	3,719.6	3,677.7	3,635.1
I	Group Assignment	4	4	4
J	Standard Hours per OR per Year	1,500	1,500	1,500
K	Number of ORs Needed* (Row H / Row J)	2.48	2.45	2.42
L	Approved OR capacity**	4	4	4
M	OR Surplus/ (Deficit) (Row K- Row L)	1.52	1.55	1.58

Source: Form D.3, page 146, and Form D *Utilization- Assumptions and Methodology*, page 151.

Note: Totals might not foot due to rounding.

In Section Q, Form D *Utilization- Assumptions and Methodology*, pages 147-152, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Acute Care Beds (pages 147-148)

Project Acute Care Utilization at Columbus Regional

Step 1: Project Acute Care Days at Columbus Regional Prior to Any Shift (page 147)

Step 2: Project Acute Care Days at Columbus Regional Following Shift to Columbus Regional East (pages 147-149).

Project Acute Care Days for the CRHS License (page 149)

Operating Rooms (pages 149-152)

Project Surgical Cases at Columbus Regional

Step 1: Project Inpatient Surgical Cases at Columbus Regional and Shift to Columbus Regional East (pages 149-150)

Step 2: Project Outpatient Surgical Cases at Columbus Regional and Shift to Columbus Regional East (pages 150-151)

Project OR Utilization at Columbus Regional (page 151)

Project OR Utilization for the CRHS License (pages 151-152)

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

- The applicant projected the last full year of historic acute care days forward at a CAGR of 0.3%, the population growth rate for Columbus County.
- The applicant accounted for the projected “shift” of acute care days from Columbus Regional to Columbus Regional East.
- The applicant calculated projected acute care bed utilization “post-shift” of both acute care days and the 30 acute care beds to Columbus Regional East.
- The applicant utilized the most recent historic percentage of IP surgical cases to total discharges to project IP surgical cases through the first three project years. The applicant utilized the most recent historical ratio of IP surgical cases to OP surgical cases at Columbus Regional to project OP cases through the first three project years.
- The applicant utilized project IP and OP surgical cases to calculate projected OR utilization and need at Columbus Regional

Access to Medically Underserved Groups

In Section D, pages 67-68, the applicant states

“After the opening of a new campus in Delco, Columbus Regional will still have 124 beds, four shared operating rooms, and one dedicated C-section room at its Whiteville campus. These resources are sufficient to meet the needs of underserved or higher risk populations in Columbus County, as evidenced by the projected utilization in Form D. Meanwhile, Columbus Regional East will bring much improved access to these same population groups living in eastern Columbus County and nearby communities.”

The applicant adequately demonstrates that the needs of medically underserved groups that will continue to use acute care beds and operating rooms will be adequately met following completion of the project for the following reasons:

- Columbus Regional currently has 154 acute care beds. In the last full historical year (FY2024) Columbus Regional has an occupancy rate of 27.8% (See Section Q, Form D and Form D *Utilization- Assumptions and Methodology*, pages 145 and 147 respectively).
- In the third project year (FY2032) Columbus Regional, after accounting for both the projected relocation of 30 AC beds to Columbus Regional East and the projected shift of patients to Columbus Regional East, has a projected occupancy for acute care beds of 33.2%. (See Form D *Utilization- Assumptions and Methodology*, page 148.)
- Columbus Regional currently has five shared ORs (excluding C-Section ORs). In the last full historical year (FY2024) Columbus Regional has a surplus of 2.6 ORs (See Section Q, Form D, page 146.)
- In the third project year (FY2032) Columbus Regional, after accounting for both the projected relocation of one OR to Columbus Regional East and the projected shift of

patients to Columbus Regional East, has a projected surplus of 1.5 ORs. (See Section Q, Form D, page 146 and Form D *Utilization- Assumptions and Methodology*, page 151.)

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

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

- The applicant adequately demonstrates that the needs of the population currently using the services to be reduced, eliminated or relocated will be adequately met following project completion for all the reasons described above.
 - The applicant adequately demonstrates that the project will not adversely impact the ability of underserved groups to access these services following project completion for all the reasons described above.
- (4) Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.

CA

The applicant proposes to develop a new 30 AC bed hospital, Columbus Regional East, by relocating no more than 30 AC beds and one OR from Columbus Regional.

In Section E, pages 71-72, 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:

- *Maintaining the Status Quo*- The applicant states that due to the growing population in eastern Columbus County and the distance from eastern Columbus County to the existing hospital, Columbus Regional, combined with the location and traffic conditions of other hospitals outside of Columbus County maintaining the status quo would not meet the needs of the residents of eastern Columbus County. Therefore, the applicant determined that maintaining the status quo was not an effective alternative.
- *Choose a Different Location*- The proposed location is in eastern Columbus County along the key traffic corridor of US 74. The applicant determined that no alternative location provides greater access to the population center in eastern Columbus County while

improving access to more rural areas. In addition, the proposed site is already owned by Columbus County and leased to Columbus Regional, which mitigates the acquisition and development costs. Therefore, the applicant determined that a different location would not be the least costly or most effective alternative.

- *Change Bed Count and/or Service Levels-* The applicant determined that based on patient need from the eastern Columbus County area a 30 bed hospital was necessary however, a hospital with more beds might increase the cost of the proposed project and add excess capacity not currently needed. Furthermore, the proposed mix of services was determined to be appropriate to meet the demonstrated needs of the patients to be served. Therefore, the applicant determined that a change in bed count and/or service levels would not be the least costly or most effective alternative.

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

- The applicant provides reasonable information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory review criteria. Therefore, the application can be approved.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

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

- 1. Columbus Regional Healthcare System (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holder shall develop a new 30-bed hospital by relocating no more than 30 acute care beds and one operating room from Columbus Regional Healthcare System.**
- 3. Upon completion of the project, Columbus Regional East shall be licensed for no more than 30 acute care beds and one operating room.**

4. **Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.
 - b. The certificate holder shall complete all sections of the Progress Report form.
 - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.
 - d. The first progress report shall be due on September 1, 2026.
 5. The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.
 6. The certificate holder shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.
 7. The certificate holder shall execute or commit to a contract for design services for the project no later than four years following the issuance of this certificate of need.
 8. The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.
- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

The applicant proposes to develop a new 30 AC bed hospital, Columbus Regional East, by relocating no more than 30 AC beds and one OR from Columbus Regional.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 153, the applicant projects the total capital cost of the project, as shown in the table below.

Purchase Price of Land	\$3,000,000
Closing Cost	\$120,000
Site Preparation	\$8,550,000
Construction/Renovation Contract(s)	\$142,519,386
Landscaping	\$600,000
Architect / Engineering Fees	\$12,891,898
Medical Equipment	\$21,717,061
Non-Medical Equipment	\$4,843,404
Furniture	\$2,805,884
Consulting Fees (Various)	\$1,365,024
Financing Costs	\$937,109
Interest during Construction	\$10,110,811
Other (Fees, Contingency)	\$5,306,759
Total Capital Cost	\$214,767,336

In Section Q, Form F.1a, Form F.1a *Assumptions*, page 154, and Exhibit F.1, *Certified Construction Cost Estimate* 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:

- The applicant provided certified construction cost estimates from an architect.
- Costs for medical equipment, site preparation, landscaping, furniture and non-medical equipment were based on market price and the experience of the design team and the architect with similar projects.
- A contingency budget line was included.
- Interest during construction was included based on prevailing future interest rate assumptions and the construction schedule

In Section F.3, page 75, the applicant states there will be no start-up costs or initial operating expenses because as the proposed new hospital campus will be licensed under the existing hospital, Columbus Regional Healthcare System, and the operating costs to develop the services are part of the operational costs for Columbus Regional Healthcare System.

Availability of Funds

In Section F.2, page 73, the applicant states that the capital cost will be funded with bonds through the existing hospital, Columbus Regional Healthcare System.

Exhibit F.2-1 contained a letter dated October 15, 2025, from the Chief Financial Officer of Columbus Regional Healthcare System (CRHS) stating that CRHS expects to fund the proposed project with bond financing. The Chief Financial Officer states, *“Following CON approval, we will proceed with the formal bond offering process, targeting financial close prior to construction commencement in Summer 2027.”*

Exhibit F.2-2, the applicant provides the audited financial statements for Columbus Regional Healthcare System as of September 30, 2024, showing a total net position of \$92.15 million. The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

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

Columbus Regional East Campus

	1st Full Fiscal Year (10/1/2029- 9/30/2030)	2nd Full Fiscal Year (10/1/2030- 9/30/2031)	3rd Full Fiscal Year (10/1/2031- 9/30/2032)
Total Gross Revenues (Charges)	\$144,460,174	\$202,933,654	\$267,271,327
Total Net Revenue	\$40,363,395	\$56,734,392	\$74,763,899
Total Operating Expenses (Costs)	\$55,488,247	\$63,639,416	\$73,822,085
Net Income	(\$15,124,851)	(\$6,905,025)	\$941,814

Source: Table F.2b, page 161.

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

- Projected charges and revenues are reasonable and adequately supported because they are based on historical data from Columbus Regional and adjusted for patients projected to be served.
- Projected operating expenses are reasonable and adequately supported because they are based on actual historical data from Columbus Regional and adjusted for patients projected to be served.
- Gross revenue is based on historical payor mix at Columbus Regional adjusted for acuity-appropriate patients. Payor mix for each of the service components is based on historical payor mix from Columbus Regional and adjusted for acuity-appropriate patients projected to be served at Columbus Regional East.
- Medicaid is held at historical payor mix data for Columbus Regional even with the transition on-going due to Medicaid expansion in North Carolina. The applicant held Medicaid at historical levels to be conservative.
- Contractual adjustments by payor are based on Columbus Regional’s FY2024 experience adjusted for patients projected to be served at Columbus Regional East.
- Total salaries are based on projected FTE values at current salaries inflated 3.0% annually.
- Expenses for independent contractors, pharmacy, medical and surgical supplies, equipment maintenance and professional fees are based on the historical percentage of net revenue at Columbus Regional for CY2024.

- 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
- Remarks made at the public hearing
- Responses to comments

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

- The applicant adequately demonstrates that the capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
 - The applicant adequately demonstrates availability of sufficient funds for the capital needs of the proposal for all the reasons described above.
 - The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.
- (6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

C

The applicant proposes to develop a new 30 AC bed hospital, Columbus Regional East, by relocating no more than 30 AC beds and one OR from Columbus Regional.

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

As shown in Table 5A, page 40 of the 2025 SMFP, the only existing and approved acute care beds in Columbus County are the 154 AC beds at Columbus Regional.

Operating Rooms: On page 49, the 2025 SMFP states, “*An OR’s service area is the single or multicounty grouping shown in Figure 6.1.*” Columbus Regional East is proposed to be in Columbus County. In Figure 6.1, page 55 of the 2025 SMFP, Columbus County is shown as

its own OR service area. Thus, the operating room service area for this facility is Columbus County. Facilities may also serve residents of counties not included in the service area.

As shown in Table 6A, page 58 of the 2025 SMFP, the only existing and approved ORs in Columbus County are the 5 ORs at Columbus Regional.

In Section G.2, pages 82-83, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved acute care bed and operating room services in the Columbus County service area. The applicant states:

“The projected utilization included within this application demonstrates that the proposed hospital services at Columbus Regional East will not unnecessarily duplicate existing or approved facilities. Rather, the proposed new campus represents a response to persistent capacity constraints and/or lengthy drive times that together limit healthcare access for residents of the region. With Columbus Regional situated in the western portion of Columbus County, the addition of Columbus Regional East in the eastern part of the county would mean more equitable access to healthcare services across the region, particularly for the rapidly growing communities around Delco and Leland. The inclusion of certain support services at both locations is necessary to provide comprehensive care at both locations and aligns with best practices for community hospital campuses serving distinct geographic areas. Rather than unnecessary duplication, these services represent essential components of a complete care system designed to meet the needs of patients in local communities.”

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:

- The proposal would not result in an increase in the number of acute care beds or operating rooms in the Columbus County acute care bed and OR service area.
- The applicant adequately demonstrates that the proposed hospital is needed in the proposed location in addition to the existing or approved hospitals in the service area.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

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

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

C

The applicant proposes to develop a new 30 AC bed hospital, Columbus Regional East, by relocating no more than 30 AC beds and one OR from Columbus Regional.

In Section Q, Form H, page 171, the applicant provides projected staffing for the proposed services through the first three operating years of the project.

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Section Q, Form F.3b. In Sections H.2 and H.3, pages 84-85, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Response to comments
- Information which was publicly available during the review and used by the Agency

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

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

C

The applicant proposes to develop a new 30 AC bed hospital, Columbus Regional East, by relocating no more than 30 AC beds and one OR from Columbus Regional.

Ancillary and Support Services

In Section I.1, page 86, the applicant identifies the necessary ancillary and support services for the proposed services. On page 86, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the fact that the proposed facility will be an acute care hospital with emergency and surgical services combined with operating under the hospital license of Columbus Regional and centralized services of the Columbus Regional Healthcare System.

Coordination

In Section I.2, page 87, 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 proposed new hospital campus will be part of the Columbus Regional Healthcare System and operate under the license of the existing acute care hospital, Columbus Regional, and have the benefit of all of the existing and longstanding network of collaborative relationships with the social service and healthcare providers of the area.
- The applicant detailed some of the existing relationships with healthcare providers in Section C.6 and Section M of the application.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Response to comments
- Information which was publicly available during the review and used by the Agency

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

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

NA

The applicant does not project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the services will be offered. Furthermore, the applicant does not project to provide the proposed

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

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

NA

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

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

C

The applicant proposes to develop a new 30 AC bed hospital, Columbus Regional East, by relocating no more than 30 AC beds and one OR from Columbus Regional.

In Section K, page 90, the applicant states that the project involves constructing 144,147 square feet of new space. Line drawings and the site plan are provided in Exhibits C.1-1 and C.1-2.

On pages 92-93, the applicant identifies the proposed site and provides information about the current owner, zoning and special use permits for the site, and the availability of water, sewer and waste disposal and power at the site. Supporting documentation is provided in Exhibits K.4-1, K.4.2 and K.4.3. The site appears to be suitable for the proposed new hospital campus based on the applicant's representations and supporting documentation.

On pages 90-91, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- Architect's certified construction cost letter. See Exhibit F.1.
- The proposed hospital campus is designed as a modestly sized community hospital which balances providing the level of acute care, emergency, surgical and support services needed while avoiding unnecessary development and operation costs.
- The applicant states that the architect designed the facility with low maintenance and energy efficiency in mind while still allowing for best practices and support functions to meet the needs of the community.

On page 91, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- The applicant states that to provide access to essential acute care services the proposed development costs of the new hospital campus are necessary.
- The new hospital campus will benefit from the management agreement between Columbus Regional Healthcare System and Atrium Health through shared services, purchasing power and other benefits.
- The applicant states that careful fiscal management has enabled it to achieve a strong net asset position and balance sheet allowing for the issuance of construction bonds to fund the proposed project.

On page 91, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

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

- (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;

NA

Columbus Regional East is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

- (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;

NA

Columbus Regional East is not an existing facility. Therefore, Criterion (13b) is not applicable to this review.

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

C

In Section L, page 100, the applicant projects the following payor mix for the proposed new hospital campus during the third full fiscal year (10/1/2031 – 9/30/2032) of operation following completion of the project, as shown in the table below.

Columbus Regional East: Facility

Payor Category	Percent of Total Patients Served
Self-Pay	3.7%
Medicare*	56.6%
Medicaid*	10.1%
Insurance*	26.1%
Other (Other Payors, Workers Comp, TRICARE)	3.5%
Total	100.0%

*Including any managed care plans.

Source: Table on page 100 of the application.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 3.7% of total surgical services will be provided to self-pay patients, 56.6% to Medicare patients and 10.1% to Medicaid patients.

On page 99, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the applicant's statement that:

“Projected payor mix for Columbus Regional East inpatient services is based on the payor mix of acuity appropriate patients from the projected service area. Projected payor mix for ambulatory surgical services is based on the payor mix of outpatient surgery patients originating from the service area. Projected payor mix for all other services results from the ratio of that service at CRHS to the outpatient surgery payor mix at CRHS applied to the outpatient surgery mix of patients originating from the service area. In sum, CRHS has used the best available data it has to model the payor mix for the other outpatient services.”

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Response to comments

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

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

C

In Section L.5, page 102, the applicant adequately describes the range of means which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Response to comments
- Information which was publicly available during the review and used by the Agency

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

- (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

The applicant proposes to develop a new 30 AC bed hospital, Columbus Regional East, by relocating no more than 30 AC beds and one OR from Columbus Regional.

In Section M, page 104, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes. The applicant adequately demonstrates that health professional training programs in the area have access to the facility for training purposes based on the following:

- The applicant states that Columbus Regional Healthcare System “*maintains relationships with numerous health professional programs and continues to work collaboratively with any interested programs seeking to establish or expand clinical training programs at its facilities.*”
- The applicant provides a list of the health professional training programs that currently utilize or have utilized training opportunities with Columbus Regional Healthcare System.
- The applicant states that the training programs identified will continue to have access to clinical training opportunities throughout Columbus Regional Healthcare System including at the proposed Columbus Regional East in Delco.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Response to comments

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

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

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

C

The applicant proposes to develop a new 30 AC bed hospital, Columbus Regional East, by relocating no more than 30 AC beds and one OR from Columbus Regional.

Acute Care Beds: On page 33, the 2025 SMFP defines the service area for acute care beds as “... the single or multicounty grouping shown in Figure 5.1.” Figure 5.1, on page 38, shows Columbus County as its own acute care bed service area. The proposed facility will be located in Columbus County. Thus, the service area for the facility in this review is Columbus County. Facilities may also serve residents of counties not included in their service area.

As shown in Table 5A, page 40 of the 2025 SMFP, the only existing and approved acute care beds in Columbus County are the 154 AC beds at Columbus Regional.

Operating Rooms: On page 49, the 2025 SMFP states, “An OR’s service area is the single or multicounty grouping shown in Figure 6.1.” Columbus Regional East is proposed to be in Columbus County. In Figure 6.1, page 55 of the 2025 SMFP, Columbus County is shown as its own OR service area. Thus, the operating room service area for this facility is Columbus County. Facilities may also serve residents of counties not included in the service area.

As shown in Table 6A, page 58 of the 2025 SMFP, the only existing and approved ORs in Columbus County are the 5 ORs at Columbus Regional.

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

“The proposed project will enhance competition in the service area by promoting greater access, choice, and cost effectiveness for acute care services. After years of rapid growth, the communities in and around eastern Columbus County now find themselves with a notable population that is lacking accessible inpatient, surgical, and emergency services. Based purely on proximity, many patients in this area seek care at Novant Health New Hanover Regional Medical Center, a chronically overcrowded facility that is plagued by negative press reports and public perception. Other options do exist, but hospitals in Southport, Supply, and Whiteville are too distant and too inconvenient to represent a real choice for most residents. Rather than drive long distances, many patients in this region default to an expensive tertiary hospital for issues that could well be treated in a community hospital.”

Columbus Regional East is designed to meet the competitive challenge of access, choice, and cost effectiveness. Located in the eastern part of Columbus County, the new campus puts key acute care services within convenient reach of fast-growing communities along the US 74 corridor. When distance is no longer the only determining factor, patients will be able to choose their hospital based on criteria such as reputation, cost, or scheduling. This competition benefits the entire region, as patients choosing to receive care at Columbus Regional East will help to mitigate inpatient capacity constraints in the broader region, which will effectively increase access. Expanded competition will also help to mitigate systemic costs, as patients with more routine healthcare needs can receive services in a lower cost community hospital rather than a more expensive tertiary facility.”

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

“Columbus Regional East has been designed as a community hospital to optimize cost effectiveness. The proposed project is intended to balance the need for improved access with the high cost of developing a new inpatient campus. CRHS proposes a modestly sized community hospital, which is less costly to build and to operate. ...

Columbus Regional Healthcare System has established a comprehensive framework of healthcare services in the Leland/Delco area but has yet to develop inpatient services. Columbus Regional East will bridge the gap of hospital services to provide a convenient, cost-effective, and efficient care to patients closer to home.”

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

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

“Columbus Regional Health System is committed to providing the highest quality care – a commitment that has been recognized by many of the top accrediting and ranking organizations in the industry.”

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

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

“Columbus Regional East will improve access for medically underserved groups. ... the development of acute care and emergency services in Delco will substantially reduce travel time for residents of the service area who currently travel to outlying hospitals for these services. This reduced travel burden is especially significant for medically underserved populations who may face transportation challenges or limited time away from work or family responsibilities.

In addition, Columbus Regional Healthcare System demonstrates a strong commitment to the belief that “Every Patient Matters.” This is best captured on the Health Equity page of the organization’s website: “All patients have unique health concerns, and we have the resources

to help meet your needs in a culturally competent way. In every encounter with every patient, our staff and providers aim to provide a positive experience that ensures patient safety, quality care and excellent customer service.”

See also Section L and B or C of the application and any exhibits.

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

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

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Response to comments

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

The applicant proposes to develop a new 30 AC bed hospital, Columbus Regional East, by relocating no more than 30 AC beds and one OR from Columbus Regional.

In Section Q, Form O, page 173, 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 one of this type of facility located in North Carolina.

In Section O, page 111, the applicant states that, during the 18 months immediately preceding the submittal of the application, no incidents related to quality of care occurred in this 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, no incidents related to quality of care occurred in this facility. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section, considering the quality of care provided at this facility, 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.

NA

The applicant proposes to develop a new 30 AC bed hospital, Columbus Regional East, by relocating no more than 30 AC beds and one OR from Columbus Regional. There are no rules that apply to this proposed project.