

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: March 30, 2026

Findings Date: April 6, 2026

Project Analyst: Cynthia Bradford

Co-signer: Micheala Mitchell

COMPETITIVE REVIEW

Project ID: F-12701-25

Facility: Atrium Health Union

FID #: 923515

County: Union

Applicant: The Charlotte Mecklenburg Hospital Authority (CMHA)

Project: Develop no more than 46 additional acute care beds pursuant to the 2025 SMFP need determination, for a total of 197 acute care beds upon completion of this project and Project ID# F-12442-23.

Project ID: F-12707-25

Facility: Atrium Health Union West, a facility of Atrium Health Union

FID #: 180514

County: Union

Applicant: The Charlotte Mecklenburg Hospital Authority (CMHA)

Project: Change of scope and cost overrun for Project ID # F-12575-24 (Develop 46 additional acute care beds) to develop no more than 90 additional acute care beds pursuant to the 2025 SMFP need determination

Project ID: F-12717-25

Facility: Novant Health Wesley Chapel Medical Center

FID #: 250952

County: Union

Applicants: Novant Health Wesley Chapel Medical Center, LLC
Novant Health, Inc.

Project: Develop a new acute care hospital with no more than 32 acute care beds pursuant to the 2025 SMFP need determination

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

REVIEW CRITERIA

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

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

C – All Applications

Need Determination

Chapter 5 of the 2025 State Medical Facilities Plan (SMFP) includes a methodology for determining the need for additional acute care beds in North Carolina by service area. Application of the need methodology in the 2025 SMFP identified a need for 136 additional acute care beds in the Union County service area. Three applications were submitted to the Healthcare Planning and Certificate of Need Section (“CON Section” or “Agency”) proposing to develop a total of 168 new acute care beds in Union County. However, pursuant to the need determination, only 136 acute care beds may be approved in this review for Union County. See the Conclusion following the Comparative Analysis for the decision.

Only certain persons can be approved to develop new acute care beds in a hospital. On page 36, the 2025 SMFP states:

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

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

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

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

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

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

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

Policy GEN-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-4 and Policy GEN-5 apply to all applicants in this review.

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

The Charlotte Mecklenburg Hospital Authority (hereinafter referred to as “Atrium” or “the applicant”) proposes to develop 46 acute care bed at Atrium Health Union, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project and Project# F-12442-23.

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

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

As of the date of these findings, the Atrium Health System has 245 existing and approved acute care beds in Union County. The addition of 136 new acute care beds as proposed in this application and another concurrent application (Project ID# F-12707-25), would bring the Atrium Health System in Union County to 381 acute care beds.

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

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

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

Conclusion

The Agency reviewed the:

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

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

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

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

The Charlotte Mecklenburg Hospital Authority (hereinafter referred to as “Atrium” or “the applicant”) proposes a change of scope (COS) and cost overrun (COR) for Project ID# F-12575-24 (develop 46 acute care beds) to develop 90 additional acute care beds at Atrium Health Union

West, pursuant to the 2025 SMFP need determination, for a total of 184 acute care beds upon completion of this project and Project ID# F-12575-24.

A certificate of need was issued on February 25, 2025, for Project ID #F-12575-23 and authorized a capital expenditure of \$116,427,756. The current application proposes a capital cost increase of \$4,853,461 over the previously approved capital cost for a total combined capital cost of \$164,962,368.

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

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

As of the date of these findings, the Atrium Health System has 245 existing and approved acute care (excluding neonatal beds) beds in Union County. The addition of 136 new acute care beds as proposed in this application and another concurrent application (Project ID# F-12701-25), would bring the Atrium Health System in Union County to 381 acute care beds.

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

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

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

Conclusion

The Agency reviewed the:

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

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

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

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

Novant Health, Inc. and Novant Health Wesley Chapel Medical Center, LLC (hereinafter collectively referred to as “Novant” or “the applicant”) propose to develop a new acute care hospital, Novant Health Wesley Chapel Medical Center (NHWCMC), with no more than 32 acute care beds pursuant to the 2025 SMFP need determination.

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

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

According to Table 5A on page 45 of the 2025 SMFP, the Novant Health System has no existing hospitals developed in Union County.

As of the date of these findings, the Novant Health System has no existing and approved acute care beds in Union County. The addition of 32 new acute care beds as proposed in this application would bring the total number of acute care beds in the Novant Health System in Union County to 32 acute care beds.

Need Determination. The applicant does not propose to develop more acute care beds than are determined to be needed in Union County. In Section B, pages 23-25, the applicant adequately

demonstrates that it meets the application requirements to operate additional acute care beds in a hospital as defined in Chapter 5 of the 2025 SMFP.

Policy GEN-4. The proposed capital expenditure for this project is greater than \$5 million. In Section B, pages 28-30, the applicant describes the project's plan to improve energy efficiency and conserve water.

Policy GEN-5. In Section B, pages 30-34, the applicant adequately describes the demographics of the service area, its strategies to provide culturally competent healthcare services, how the strategies reflect cultural competence, and how it will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities in the service area.

Conclusion

The Agency reviewed the:

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

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

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

- The applicant adequately describes how it will measure and periodically assess increase 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.

C-All Applications

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

The applicant proposes to develop 46 acute care beds at Atrium Health Union, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project and Project ID# F-12442-23.

Patient Origin

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

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

AH Union Historical & Projected Patient Origin – Acute Care Beds								
County	Last FY (CY 2024)		FY 1 (CY 2030)		FY 2 (CY 2031)		FY 3 (CY 2032)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Union	5,206	59.7%	5,982	59.7%	6,119	59.7%	6,259	59.7%
Anson	1,218	14.0%	1,400	14.0%	1,432	14.0%	1,465	14.0%
Chesterfield, SC	845	9.7%	971	9.7%	993	9.7%	1,015	9.7%
Lancaster, SC	719	8.2%	826	8.2%	845	8.2%	864	8.2%
Mecklenburg	333	3.8%	382	3.8%	391	3.8%	400	3.8%
York, SC	102	1.2%	117	1.2%	120	1.2%	123	1.2%
Other*	289	3.4%	344	3.4%	352	3.4%	360	3.4%
Total	8,721	100.0%	10,022	100.0%	10,251	100.0%	10,486	100.0%

Source: Section C, pages 40, 42

*Other includes other North Carolina counties and other states

AH Union Historical & Projected Patient Origin – Entire Facility								
County	Last FY (CY 2024)		FY 1 (CY 2030)		FY 2 (CY 2031)		FY 3 (CY 2032)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Union	84,102	62.9%	96,648	62.9%	98,858	62.9%	101,118	62.9%
Anson	16,092	12.0%	18,493	12.0%	18,915	12.0%	19,348	12.0%
Chesterfield, SC	12,040	9.0%	13,836	9.0%	14,152	9.0%	14,476	9.0%
Lancaster, SC	9,238	6.9%	10,616	6.9%	10,859	6.9%	11,107	6.9%
Mecklenburg	5,324	4.0%	6,118	4.0%	6,258	4.0%	6,401	4.0%
York, SC	1,416	1.1%	1,627	1.1%	1,664	1.1%	1,702	1.1%
Other*	5,395	4.0%	6,200	4.0%	6,342	4.0%	6,487	4.0%
Total	133,607	100.0%	153,538	100.0%	157,049	100.0%	160,639	100.0%

Source: Section C, pages 41, 43

*Other includes other North Carolina counties and other states

In Section C, page 42, the applicant provides the assumptions and methodology used to project patient origin. The applicant’s assumptions are reasonable and adequately supported based on the following:

- The applicant’s projected patient origin is based on its historical patient origin.

Analysis of Need

In Section C, pages 44-53, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

Population Growth, Aging and Development in Union County

The applicant states the data from the North Carolina Office of State Budget and Management (NC OSBM), Union County’s population grew 14 percent between 2020 and 2025, and expanded at a compound annual growth rate (CAGR) of 2.6 percent. The applicant states that Union County’s population age 65 and over is projected to grow 4.1 percent annually over the next five years, or 22.5 percent overall. The applicant states that this growth is expected to continue in the next decade.

Need for Additional Acute Care Bed Capacity in Union County

The applicant states that the 2025 SMFP identifies the need for 136 additional acute care beds in Union County is the largest acute care bed deficit ever recorded in the county, exceeding the combined total deficit from the three most recent need determinations in 2010, 2023, and 2024. The applicant states that the 2025 SMFP need determination was driven the highly utilized acute care services at both Atrium Health Union and Atrium Health Union West.

The Need for Additional Capacity at Atrium Health Union

The applicant states that Atrium Health Union's high occupancy rates have created operational challenges, including significant strain on the emergency department (ED) and other CMHA facilities who depend on Atrium Health Union for higher acuity transfers. The applicant further states that Atrium Health Union’s capacity limitations force admitted patients to remain in ED beds for extended periods, averaging more than 12 hours in 2025, while waiting for an acute care

bed to become available. The acute care capacity constraints have affected multiple departments at Atrium Health Union beyond the ED. Surgical cases are sometimes delayed due to the appropriate level and type of bed not being available for the patient upon completion of the surgery, thus complicating bed census and management and the flow of the operating room suite, and other departments

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

- The applicant provides reliable data, makes reasonable statements about the data, and uses reasonable assumptions about the data to demonstrate the projected population growth in the area and the projected growth of the population age 65 and older in the area.
- The applicant provides historical data demonstrating increasing utilization of acute care beds at Atrium Health Union.
- The applicant identifies circumstances at Atrium Health Union that support its assertion that it needs additional acute care capacity such as long waits in the ER, delays for surgical cases, and patient overflow into hallways and lobbies while awaiting for a bed to become available.

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

Atrium Health Union Acute Care Bed Historical/Projected Utilization				
	CY 2024	FY 1 (CY 2030)	FY 2 (CY 2031)	FY 3 (CY 2032)
# of Beds	138	197	197	197
# of Discharges	8,721	10,022	10,251	10,486
# of Acute Care Days	51,554	57,316	58,626	59,967
ALOS	5.9	5.7	5.7	5.7
Occupancy Rate	102.4%	79.7%	81.5%	83.4%

Source: Section Q, Form C.1a and C.1b, pages 113-114

Atrium Health Union Acute Care Bed Historical/Projected Utilization (License)				
	CY 2024	FY 1 (CY 2030)	FY 2 (CY 2031)	FY 3 (CY 2032)
# of Beds	178	333	333	333
# of Discharges	12,302	16,805	18,016	19,373
# of Acute Care Days	65,975	84,808	90,094	95,985
ALOS	5.4	5.0	5.0	5.0
Occupancy Rate	101.5%	69.8%	74.1%	79.0%

Source: Section Q, Form C.1a and C.1b, pages 117-118

The applicant states that discharges were calculated by dividing projected patient days by projected average length of stay (ALOS). Atrium Health Union’s ALOS has increased over recent years as lower acuity patients have shifted to Atrium Health Union West, leaving Atrium Health Union to focus on more complex cases requiring longer stays. The applicant states that the ALOS at Atrium Health Union West has continued to decrease since opening in February

of 2022 as a result of targeted operational strategies. However, with planned service line growth, the applicant expects the ALOS at Atrium Health Union West to increase moderately as the facility expands capabilities across service lines. The applicant states, even with these variances, the historical averages shown in Forms C.1a, serve as an appropriate baseline for projecting discharges.

In the Form C Utilization – Assumptions and Methodology subsection of Section Q, pages 119-124, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

Step 1) Examine AH Union License Historical Acute Care Utilization by Facility

AH Union License acute care days, which include both AH Union and AH Union West campuses, increased 12.3 percent annually from CY 2020 to CY 2025. Utilization increased significantly following the opening of AH Union West in 2022. Acute care days at AH Union West increased from 8,717 days in 2022 to 13,994 days in 2025*, as shown in the table below.

AH Union License Facilities Historical Utilization							
	CY 2020	CY 2021	CY 2021	CY 2023	CY 2024	CY 2025*	20-25 CAGR
AH Union	36,441	46,754	48,350	48,740	51,554	51,190	7.0%
AH Union West			8,717	12,538	14,421	13,994	17.1%
Total Days	36,441	46,754	57,067	61,278	65,975	65,184	12.3%
Total ADC	99.8	128.1	156.3	167.9	180.8	178.6	
Total Beds	178	178	178	178	178	186^	
Occupancy %	56.1%	72.0%	87.8%	94.3%	101.5%	96.0%	

Source: Section Q, Form C Assumptions and Methodology, page 120

^Includes the development of eight additional acute care beds at Atrium Health Union West approved pursuant to Project ID # F-012440-23, which became operational in August 2025

*Annualized

Step 2) Project Future Patient Days Using a Selection of Assumed CAGRs for Each Facility

Union County is projected to be among the fastest growing counties in North Carolina. According to the North Carolina Office of State Budget and Management (NC OSBM), Union County is projected to increase at a compound annual growth rate of 2.3 percent from CY 2025. The applicant believes that using this Union County population CAGR to project acute care days at Atrium Health Union through CY 2032 is reasonable and conservative given its actual historical CAGR of 7.0 percent. The applicant selected a 2.3 percent growth rate as a conservative measure to assume projected acute care days for Atrium Health Union are shown in the table below.

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Atrium Health Union Main Campus Projected Acute Care Bed Utilization									
						PY1	PY2	PY3	CAGR
	CY2025*	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	
Total Acute Care Days	51,190	52,360	53,558	54,782	55,407	57,316	58,626	59,967	2.3%
Average Daily Census	140.2	143.5	146.7	150.1	151.8	157.0	160.6	164.3	
ACB in Operation	138	138	138	138	138	197	197	197	
Occupancy Rate	101.6%	104.0%	106.3%	108.8%	110.0%	79.7%	81.5%	83.4%	

Source: Section Q, page 121

*Annualized

To project acute care bed utilization at Atrium Health Union West, the applicant chose to use the 2025 SMFP Union County Growth Rate Multiplier (CGRM) of 14.5 percent. The applicant believes this approach is reasonable given this growth rate is based on actual historical growth across the Atrium Health Union license, as shown in the table below.

Atrium Health Union West Campus Projected Acute Care Bed Utilization												
									PY1	PY2	PY3	CAGR
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033	CY2034	CY2035	
Total Acute Care Days	13,994	16,018	18,334	20,985	24,019	27,492	31,468	36,018	41,226	47,187	54,011	14.5%
Average Daily Census	38.3	43.9	50.2	57.5	65.8	75.3	86.2	98.7	112.9	129.3	148.0	
ACB in Operation	48	48	48	136	136	136	136	136	184	184	184	
Occupancy Rate	79.9%	91.4%	104.6%	42.3%	48.4%	55.4%	63.4%	72.6%	61.4%	70.3%	80.4%	

Source: Section Q, page 122

The applicant projected growth rates for Atrium Health Union and Atrium Health Union West combined utilizing the projected growth rate for the Atrium Health Union License (6.1 percent), which is less than half of the historical CAGR (12.3 percent), as shown in the table below.

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Atrium Health Union (License) Projected Acute Care Bed Utilization												
									PY1	PY2	PY3	CAGR
	CY2025*	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033	CY2034	CY2035	
AH Union Total Acute Care Days	51,190	52,360	53,558	54,782	55,407	57,316	58,626	59,967	61,338	62,740	64,175	2.3%
AH Union West Total Acute Care Days	13,994	16,018	18,334	20,985	24,019	27,492	31,468	36,018	41,226	47,187	54,011	14.5%
Total Acute Care Days (License)	65,184	68,378	71,891	75,767	79,426	84,808	90,094	95,985	102,564	109,928	118,185	6.1%
Average Daily Census	178.6	187.3	197.0	207.6	217.6	232.4	246.8	263.0	281.0	301.2	323.8	
AC Beds in Operation**	186	186	186	274	274	333	333	333	381	381	381	
Occupancy Rate	96.0%	100.7%	105.9%	75.8%	79.4%	69.8%	74.1%	79.0%	73.8%	79.0%	85.0%	

Source: Section Q, page 123

*Annualized

** CY 2025 acute care days are annualized based on actual January – June utilization

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

- There is a need determination in the 2026 SMFP for 136 acute care beds in the Union County acute care bed service area.
- The applicant relied on its historical utilization in projecting future utilization. The applicant calculated the CAGR for AH Union for CYs 2025-CY32 to be 2.3 percent. The applicant calculated the CAGR for AH Union West for CY 2025-2035 to be 14.5 percent. The applicant combined the CAGRs for both AH Union and AH Union West to project a CAGR of 6.1 percent. The applicant used this to project future utilization for CYs 2025 annualized through CY 2035.
- The applicant’s projected utilization for all the acute care beds (existing, approved and proposed) on the Atrium Health Union license to exceed the performance standard promulgated in 10A NCAC 14C .3803.

Access to Medically Underserved Groups

In Section C, page 60, the applicant states:

“As noted in CMHA’s Non-Discrimination Policy Statement, “[n]o individual shall be subject to discrimination or denied the benefits of the services, programs, or activities of Atrium Health on the basis of race, color, religion, national origin, age, sex, sexual orientation, gender identity, gender expression, disability or source of payment.” CMHA

will continue to serve this population as dictated by the mission of CMHA, which is the foundation for every action taken. The mission is simple, but unique: To improve health, elevate hope, and advance healing – for ALL. This includes the medically underserved.”

In Section C, page 61, the applicant provides the estimated percentage for each medically underserved group in the third fiscal year of the proposed project, as shown in the following table.

Medically Underserved Groups	% of Total Patients
Racial and ethnic minorities	38.3%
Women	55.8%
Persons aged 65 and older	32.7%
Medicare beneficiaries	47.2%
Medicaid recipients	16.6%

In Section C, page 61, the applicant states it does not keep data on low-income persons and persons with disabilities, but they are not denied access to services.

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

- The applicant provides its Patient Non-Discrimination Policy in Exhibit C.6, which states it does not exclude or otherwise discriminate against medically underserved groups.
- The applicant provides copies of its financial assistance policies in Exhibit L.4-2.
- The applicant bases its percentages on patients served at AH Union in CY2024.

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

The applicant proposes a change of scope (COS) and cost overrun (COR) for Project ID# F-12575-24 (develop 46 acute care beds) to develop 90 additional acute care beds at Atrium Health Union West, for a total of 184 acute care beds upon completion of this project and Project ID# F-12575-24.

Patient Origin

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

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

AH Union West Historical & Projected Patient Origin – Acute Care Beds								
County	Last FY (CY 2024)		FY 1 (CY 2033)		FY 2 (CY 2034)		FY 3 (CY 2035)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Union	2,120	59.2%	6,022	59.2%	6,892	59.2%	7,889	59.2%
Mecklenburg	1,027	28.7%	2,918	28.7%	3,340	28.7%	3,823	28.7%
Lancaster, SC	105	2.9%	297	2.9%	340	2.9%	389	2.9%
Anson	80	2.2%	227	2.2%	260	2.2%	298	2.2%
Chesterfield, SC	54	1.5%	153	1.5%	175	1.5%	201	1.5%
Stanly	42	1.2%	121	1.2%	138	1.2%	158	1.2%
Other*	153	4.3%	434	4.3%	497	4.3%	569	4.3%
Total	3,581	100.0%	10,172	100.0%	11,643	100.0%	13,327	100.0%

Source: Section C, pages 41 & 43

*Other includes other North Carolina counties and other states

AH Union West Historical & Projected Patient Origin – Entire Facility								
County	Last FY (CY 2024)		FY 1 (CY 2033)		FY 2 (CY 2034)		FY 3 (CY 2035)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Union	26,679	62.3%	84,306	62.3%	96,497	62.3%	110,450	62.3%
Mecklenburg	12,719	26.7%	36,130	26.7%	41,354	26.7%	47,334	26.7%
Anson	823	1.7%	2,338	1.7%	2,676	1.7%	3,063	1.7%
Chesterfield, SC	780	1.6%	2,216	1.6%	2,536	1.6%	2,903	1.6%
Lancaster, SC	765	1.6%	2,173	1.6%	2,487	1.6%	2,847	1.6%
Cabarrus	568	1.2%	1,613	1.2%	1,847	1.2%	2,114	1.2%
Other*	2,331	4.9%	6,621	4.9%	7,579	4.9%	8,675	4.9%
Total	47,665	100.0%	135,397	100.0%	154,976	100.0%	177,385	100.0%

Source: Section C, pages 42 & 44

*Other includes other North Carolina counties and other states

In Section C, page 43, the applicant provides the assumptions and methodology used to project patient origin. The applicant’s assumptions are reasonable and adequately supported based on the following:

- The applicant’s projected patient origin is based on its historical patient origin.

Analysis of Need

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

Population Growth, Aging and Development in Union County

The applicant states the data from the North Carolina Office of State Budget and Management (NC OSBM), Union County's population grew 14 percent between 2020 and 2025, and expanded at a compound annual growth rate (CAGR) of 2.6 percent. The applicant states that Union County's population age 65 and over is projected to grow 4.1 percent annually over the next five years, or 22.5 percent overall. The applicant states that this growth is expected to continue in the next decade. The applicant states that housing developments for the 55+ population are on track to double within the next couple of years, specifically in the ZIP codes that are primarily served by Atrium Health Union West. The applicant states that proposed project will expand acute care capacity at Atrium Health Union West to meet the needs of the western region's rapidly expanding population and the growing number of patients who are choosing Atrium Health Union West for care.

Need for Additional Acute Care Bed Capacity in Union County, Including the Specific Need at Atrium Health Union West

The applicant states that the 2025 *SMFP* identifies the need for 136 additional acute care beds in Union County is the largest acute care bed deficit ever recorded in the county, exceeding the combined total deficit from the three most recent need determinations in 2010, 2023, and 2024. The applicant states that the 2025 *SMFP* need determination was driven the by highly utilized acute care services at Atrium Health Union West. The applicant states Atrium Health Union West exceeded occupancy rates in CY 2023, by 19.2 percent. patient discharges at Atrium Health Union West continue to increase, nearly doubling from 1,986 in CY 2022 to an annualized 3,786 in CY 2025. The monthly occupancy rates in the first six months of 2025 averaged 96.7 percent. The applicant states that high occupancy rates at Atrium Health Union West necessitated the use of temporary beds, and while this was helpful in the short term, these beds are insufficient for current demand and are not sustainable solutions for meeting the county's long-term healthcare capacity needs. Additional acute care beds are needed to adequately serve Union County's rapidly growing and aging population and to meet current and future demand at Atrium Health Union West.

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

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

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

Atrium Health Union West Acute Care Bed Historical/Projected Utilization				
	CY 2024	FY 1 (CY 2033)	FY 2 (CY 2034)	FY 3 (CY 2035)
# of Beds	40	184	184	184
# of Discharges	3,581	10,172	11,643	13,327
# of Acute Care Days	14,421	41,226	47,187	54,011
ALOS	4.0	4.1	4.1	4.1
Occupancy Rate	98.8%	61.4%	70.3%	80.4%

Source: Section Q, Form C.1a and C.1b, pages 121-122

Atrium Health Union (License) Acute Care Bed Historical/Projected Utilization				
	CY 2024	FY 1 (CY 2033)	FY 2 (CY 2034)	FY 3 (CY 2035)
# of Beds	178	381	381	381
# of Discharges	12,302	20,897	22,614	24,548
# of Acute Care Days	65,975	102,564	109,928	118,185
ALOS	5.4	4.9	4.9	4.8
Occupancy Rate	101.5%	73.8%	79.0%	85.0%

Source: Section Q, Form C.1a and C.1b, pages 125-126

The applicant states that discharges were calculated by dividing projected patient days by projected average length of stay (ALOS). Atrium Health Union’s ALOS has increased over recent years as lower acuity patients have shifted to Atrium Health Union West, leaving Atrium Health Union to focus on more complex cases requiring longer stays. The applicant states that the ALOS at Atrium Health Union West has continued to decrease since opening in February of 2022 as a result of targeted operational strategies. However, with planned service line growth, the applicant expects the ALOS at Atrium Health Union West to increase moderately as the facility expands capabilities across service lines. The applicant states, even with these variances, the historical averages shown in Forms C.1a, serve as an appropriate baseline for projecting discharges.

In the Form C Utilization – Assumptions and Methodology subsection of Section Q, pages 128-132, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

Step 1) Examine AH Union License Historical Acute Care Utilization by Facility

AH Union License acute care days, which include both AH Union and AH Union West campuses, increased 12.3 percent annually from CY 2020 to CY 2025. Utilization increased significantly following the opening of AH Union West in 2022. Acute care days at AH Union West increased from 8,717 days in 2022 to 13,994 days in 2025*, as shown in the table below.

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AH Union License Facilities Historical Utilization							
	CY 2020	CY 2021	CY 2021	CY 2023	CY 2024	CY 2025*	20-25 CAGR
AH Union	36,441	46,754	48,350	48,740	51,554	51,190	7.0%
AH Union West			8,717	12,538	14,421	13,994	17.1%
Total Days	36,441	46,754	57,067	61,278	65,975	65,184	12.3%
Total ADC	99.8	128.1	156.3	167.9	180.8	178.6	
Total Beds	178	178	178	178	178	186^	
Occupancy %	56.1%	72.0%	87.8%	94.3%	101.5%	96.0%	

Source: Section Q, Form C Assumptions and Methodology, page 128

^Includes the development of eight additional acute care beds at Atrium Health Union West approved pursuant to Project ID # F-012440-23, which became operational in August 2025

*Annualized

Step 2) Project future patient days using a selection of assumed CAGRs for each Facility

Union County is projected to be among the fastest growing counties in North Carolina. According to the North Carolina Office of State Budget and Management (NC OSBM), Union County is projected to increase at a compound annual growth rate of 2.3 percent from CY 2025. The applicant believes that using this Union County population CAGR to project acute care days at Atrium Health Union through CY 2032 is reasonable and conservative given its actual historical CAGR of 7.0 percent. The applicant selected a 2.3 percent growth rate as a conservative measure to assume projected acute care days for Atrium Health Union are shown in the table below.

Atrium Health Union Main Campus Projected Acute Care Bed Utilization									
						PY1	PY2	PY3	CAGR
	CY2025*	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	
Total Acute Care Days	51,190	52,360	53,558	54,782	55,407	57,316	58,626	59,967	2.3%
Average Daily Census	140.2	143.5	146.7	150.1	151.8	157.0	160.6	164.3	
ACB in Operation	138	138	138	138	138	197	197	197	
Occupancy Rate	101.6%	104.0%	106.3%	108.8%	110.0%	79.7%	81.5%	83.4%	

Source: Section Q, page 129

*Annualized

To project acute care bed utilization at Atrium Health Union West, the applicant chose to use the 2025 SMFP Union County Growth Rate Multiplier (CGRM) of 14.5 percent. The applicant believes this approach is reasonable given this growth rate is based on actual historical growth across the Atrium Health Union license, as shown in the table below.

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Atrium Health Union West Campus Projected Acute Care Bed Utilization												
									PY1	PY2	PY3	CAGR
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033	CY2034	CY2035	
Total Acute Care Days	13,994	16,018	18,334	20,985	24,019	27,492	31,468	36,018	41,226	47,187	54,011	14.5%
Average Daily Census	38.3	43.9	50.2	57.5	65.8	75.3	86.2	98.7	112.9	129.3	148.0	
ACB in Operation	48	48	48	136	136	136	136	136	184	184	184	
Occupancy Rate	79.9%	91.4%	104.6%	42.3%	48.4%	55.4%	63.4%	72.6%	61.4%	70.3%	80.4%	

Source: Section Q, page 130

The applicant projected growth rates for Atrium Health Union and Atrium Health Union West combined utilizing the projected growth rate for the Atrium Health Union License (6.1 percent), which is less than half of the historical CAGR (12.3 percent), as shown in the table below.

Atrium Health Union (License) Projected Acute Care Bed Utilization												
									PY1	PY2	PY3	CAGR
	CY2025*	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033	CY2034	CY2035	
AH Union Total Acute Care Days	51,190	52,360	53,558	54,782	55,407	57,316	58,626	59,967	61,338	62,740	64,175	2.3%
AH Union West Total Acute Care Days	13,994	16,018	18,334	20,985	24,019	27,492	31,468	36,018	41,226	47,187	54,011	14.5%
Total Acute Care Days (License)	65,184	68,378	71,891	75,767	79,426	84,808	90,094	95,985	102,564	109,928	118,185	6.1%
Average Daily Census	178.6	187.3	197.0	207.6	217.6	232.4	246.8	263.0	281.0	301.2	323.8	
AC Beds in Operation**	186	186	186	274	274	333	333	333	381	381	381	
Occupancy Rate	96.0%	100.7%	105.9%	75.8%	79.4%	69.8%	74.1%	79.0%	73.8%	79.0%	85.0%	

Source: Section Q, page 131

*Annualized

** CY 2025 acute care days are annualized based on actual January – June utilization

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

- There is a need determination in the 2026 SMFP for 136 acute care beds in the Union County acute care bed service area.

- The applicant relied on its historical utilization in projecting future utilization. The applicant calculated the CAGR for AH Union for CYs 2025-CY32 to be 2.3 percent. The applicant calculated the CAGR for AH Union West for CY 2025-2035 to be 14.5 percent. The applicant combined the CAGRs for both AH Union and AH Union West to project a CAGR of 6.1 percent. The applicant used this to project future utilization for CYs 2025 annualized through CY 2035.
- The applicant’s projected utilization for all the acute care beds (existing, approved and proposed) on the Atrium Health Union license to exceed the performance standard promulgated in 10A NCAC 14C .3803.

Access to Medically Underserved Groups

In Section C, page 60, the applicant states:

“As noted in CMHA’s Non-Discrimination Policy Statement, “[n]o individual shall be subject to discrimination or denied the benefits of the services, programs, or activities of Atrium Health on the basis of race, color, religion, national origin, age, sex, sexual orientation, gender identity, gender expression, disability or source of payment.” CMHA will continue to serve this population as dictated by the mission of CMHA, which is the foundation for every action taken. The mission is simple, but unique: To improve health, elevate hope, and advance healing – for ALL. This includes the medically underserved.”

In Section C, page 61, the applicant provides the estimated percentage for each medically underserved group in the third fiscal year of the proposed project, as shown in the following table.

Medically Underserved Groups	% of Total Patients
Racial and ethnic minorities	38.3%
Women	55.8%
Persons aged 65 and older	32.7%
Medicare beneficiaries	47.2%
Medicaid recipients	16.6%

In Section C, page 61, the applicant states it does not keep data on low-income persons and persons with disabilities, but they are not denied access to services.

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

- The applicant provides its Patient Non-Discrimination Policy in Exhibit C.6, which states it does not exclude or otherwise discriminate against medically underserved groups.
- The applicant provides copies of its financial assistance policies in Exhibit L.4-2.
- The applicant bases its percentages on patients served at AH Union in CY2024.

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

The applicant proposes to develop a new acute care hospital, Novant Health Wesley Chapel Medical Center (NHWCMC), with no more than 32 acute care beds pursuant to the 2025 SMFP need determination in Union County.

In Section Q, pages 124-126, the applicant describes the services it plans to offer at the proposed facility, including the following:

- 32 licensed acute care beds
- 12 observation beds
- One (1) dedicated C-Section OR
- One (1) shared inpatient/ambulatory OR
- Four surgical procedure rooms
- One (1) minor procedure room
- 16 Emergency Department bays
- Imaging and ancillary services including CT, X-ray/fluoroscopy, MRI scanner, ultrasound, nuclear medicine, echocardiogram lab, and physical/speech/occupational therapy

Patient Origin

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

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The applicant is proposing to develop a new facility. Therefore, there is no historical patient origin to report.

The following tables illustrate the projected patient origin for inpatient services, outpatient surgical services, other outpatient services, and the entire facility.

Inpatient Services	Novant Health Wesley Chapel Medical Center					
	1st Full FY		2nd Full FY		3rd Full FY	
	CY 2030		CY 2031		CY 2032	
County	Number of Patients	% of Total	Number of Patients	% of Total	Number of Patients	% of Total
Union	1,016	90.0%	1,617	90.0%	2,599	90.0%
Other^	113	10.0%	180	10.0%	289	10.0%
Total	1,129	100.0%	1,797	100.0%	2,888	100.0%

Source: Section C, page 45.

^ Other includes the remaining counties in North Carolina and other states.

Outpatient Surgical Services	Novant Health Wesley Chapel Medical Center					
	1st Full FY		2nd Full FY		3rd Full FY	
	CY 2030		CY 2031		CY 2032	
County	Number of Patients	% of Total	Number of Patients	% of Total	Number of Patients	% of Total
Union	596	90.0%	948	90.0%	1,524	90.0%
Other^	66	10.0%	105	10.0%	169	10.0%
Total	662	100.0%	1,053	100.0%	1,693	100.0%

Source: Section C, page 45.

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

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Other Outpatient Services	Novant Health Wesley Chapel Medical Center					
	1st Full FY		2nd Full FY		3rd Full FY	
	CY 2030		CY 2031		CY 2032	
County	Number of Patients	% of Total	Number of Patients	% of Total	Number of Patients	% of Total
Union	13,667	90.0%	21,741	90.0%	34,946	90.0%
Other^	1,519	10.0%	2,416	10.0%	3,883	10.0%
Total	15,185	100.0%	24,156	100.0%	38,829	100.0%

Source: Section C, page 45.

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

Entire Facility	Novant Health Wesley Chapel Medical Center					
	1st Full FY		2nd Full FY		3rd Full FY	
	CY 2030		CY 2031		CY 2032	
County	Number of Patients	% of Total	Number of Patients	% of Total	Number of Patients	% of Total
Union	15,279	90.0%	24,306	90.0%	39,068	90.0%
Other^	1,698	10.0%	2,701	10.0%	4,341	10.0%
Total	16,976	100.0%	27,006	100.0%	43,409	100.0%

Source: Section C, page 46.

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

In Section Q, Form C, pages 127-145, the applicant provides the assumptions and methodology used to project its patient origin. The applicant utilized discharges for patients residing in the identified service area during calendar year (CY) 2024 for the basis of projecting future inpatient volume, as well as projected utilization for surgical cases, ED visits, imaging, and other ancillary and support services.

The applicant’s assumptions are reasonable and adequately supported.

Analysis of Need

In Section C, pages 46-60, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- **2025 SMFP Need Determination.** The 2025 SMFP has determined that Union County service area has a need for an additional 136 acute beds.

- **Acute Care Utilization.** The applicant states that there is strong growth overall in acute care discharges in the Union County service area and the applicant plans to develop a new 32-bed community hospital to address the increasing demand for acute care services.
- **Access for Service Area Residents.** The applicant states that the proposed location will enhance access to acute care services for Union County residents because the existing transportation corridors form a comprehensive access network that makes NH Wesley Chapel readily accessible from all quadrants of Union County, including rapidly growing suburban areas in the north and west as well as more rural areas to the south and east. Thus, enabling access for residents throughout the service area.
- **Service Area Demographics.** The North Carolina Office of State Budget and Management (NC OSBM) projects that Union County will experience a CAGR of 2.2 percent over the next eight years, adding approximately 44,000 new residents between 2025 and 2032. The applicant states that the age 65+ group is projected to increase by a CAGR of 4.0 percent during the next seven years. Therefore, the demand for acute care services is expected to increase significantly.
- **Enhanced Competition.** The applicant states that currently Atrium Health is the sole provider of acute care services located within Union County. The applicant states that the proposed project will enhance competition for acute care services in Union County and expand patient choice.
- **Novant Health Physician Network.** The applicant operates 20 medical clinics in Union County, as well as physician clinics in Rowan County and primary care services in Union County. The applicant states that the existing Novant Health provider base in Union County supports the development of NHCWC and will enable Novant Health to add inpatient services to the continuum of care and provide a community-based point of care for patients.

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

- The applicant uses reliable data to illustrate projected population growth and aging in the service area and the need for additional acute care bed capacity.
- The applicant uses clearly cited, reasonable, and verifiable historical and demographical data to make the assumptions with regard to identifying the population to be served.

Projected Utilization

In Section Q, on Forms C.1b, C.2b, C.3b, and C.4b, pages 123-126, the applicant provides projected utilization for its acute care beds, medical equipment, operating rooms, and other hospital services, as illustrated in the following tables.

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Novant Health Wesley Chapel Medical Center			
Acute Care Bed			
Projected Utilization			
	1st Full FY	2nd Full FY	3rd Full FY
	CY 2030	CY 2031	CY 2032
Total # of Beds	32	32	32
# of Discharges	1,129	1,797	2,888
# of Patient Days	3,388	5,390	8,664
Average Length of Stay	3.0	3.0	3.0
Occupancy Rate	29.0%	46.1%	74.2%

Source: Section Q, Form C.1b, page 123

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Novant Health Wesley Chapel Medical Center			
Medical Equipment			
Projected Utilization			
	1st Full FY	2nd Full FY	3rd Full FY
	CY 2030	CY 2031	CY 2032
CT Scanner			
# of Units	1	1	1
# of Scans	5,635	8,964	14,408
Fixed X-ray			
# of Units	2	2	2
# of Procedures*	4,109	6,537	10,508
MRI Scanner			
# of Units	Mobile	Mobile	Mobile
# of Procedures	421	670	1,076
# of Adjusted Procedures	656	1,043	1,676
Nuclear Medicine			
# of Units	1	1	1
# of Procedures	325	517	831
Ultrasound			
# of Units	2	2	2
# of Procedures	943	1,499	2,410
Portable X-ray			
# of Units	2	2	2
# of Procedures*	4,109	6,537	10,508
Echocardiogram			
# of Units	1	1	1
# of Procedures	879	1,398	2,247

Source: Section Q, Form C.2b, page 124.

*Note projected X-ray procedures in Section Q. Assumptions and Methodology are distributed evenly between fixed X-ray and portable X-ray.

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Novant Health Wesley Chapel Medical Center			
Operating Rooms			
Projected Utilization			
	1st Full FY	2nd Full FY	3rd Full FY
	CY 2030	CY 2031	CY 2032
Operating Rooms			
Dedicated C-Section ORs	1	1	1
Total # of ORs	2	2	2
Surgical Cases			
# of C-Sections Performed in Dedicated C-Section ORs	72	115	184
Surgical Cases Performed in Procedure Rooms			
# of Inpatient Surgical Cases Performed in Procedure Rooms	165	263	422
# of Outpatient Surgical Cases Performed in Procedure Rooms	530	843	1,354
Total # of Surgical Cases Performed in Procedure Rooms	695	1,105	1,777

Source: Section Q, Form C.3b, page 125.

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Novant Health Wesley Chapel Medical Center			
Other Hospital Services			
Projected Utilization			
	1st Full FY	2nd Full FY	3rd Full FY
	CY 2030	CY 2031	CY 2032
Emergency Department			
# of Treatment Rooms	16	16	16
# of Visits	5,791	9,212	14,806
Observation Beds (unlicensed)			
# of Beds	12	12	12
Days of Care	567	902	1,450
Laboratory			
Tests	83,639	133,053	213,867
Pharmacy			
Units	401,913	639,362	1,027,701
Physical Therapy			
Treatments	6,631	10,548	16,955
Speech Therapy			
Treatments	480	764	1,228
Occupational Therapy			
Treatments	3,327	5,292	8,507

Source: Section Q, Form C.4b, page 126.

In Section Q, pages 127-146, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Acute Care Beds

The applicant identified the service area for the proposed project as Union County.

Step 1: Determine Base Year Volume for Projections. CY 2024 was the basis for projecting future volume because it was the most recent complete fiscal year. The applicant used Hospital Industry Data Institute (HIDI) data to analyze the inpatient volume at area hospitals within the Core Acute Care (CAC) Medical Severity Diagnosis-Related Groups (MSDRGs). The analysis included discharges for patients residing in the identified service area. The following tables

illustrate all acute care discharges (not limited to CAC MSDRGs) and the acute care discharges within the CAC MSDRGs in the service area during CY 2024.

NHWCMC Service Area Acute Care Discharges, CY2022-2024				
	2022	2023	2024	CAGR
Union County	15,698	17,239	18,005	7.1%

Source: HIDI Inpatient Database

NHWCMC Service Area Discharges Within CAC MSDRGs, CY2022-2024				
	2022	2023	2024	CAGR
Union County	10,493	11,417	12,000	6.9%

Source: HIDI Inpatient Database

The service area discharges within the CAC MSDRGs equate to approximately 65 percent of all acute care discharges ($12,000 \div 18,005 = .65$).

Step 2: Project Service Area Discharges Within CAC MDSRGs.

The applicant applied the respective population growth rates to Union County zip codes. The applicant assumes the annual population growth rates will extend forward through the third year of the project. Then the applicant projected service area CAC MSDRG discharges based on the respective population growth rates applied to the 2024 CAC MSDRG discharges. The projected Union County population growth rates are shown in the table below.

Projected Population Growth Union County	
Year	Union Co.
2025	273,432
2026	281,115
2027	287,857
2028	294,415
2029	300,216
2030	306,153
2031	311,701
2032	317,664
CAGR	2.2%

Source: Section Q, Table Q.3, page 128;
 NC OSBM, Vintage 2024.

The following table summarizes projected service area CAC MSDRG discharges based on the respective population growth rate applied to 2024 CAC MSDRG discharges

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Projected Service Area Discharges Within CAC MSDRGs								
Area	2025	2026	2027	2028	2029	2030	2031	2032
Union County	12,260	12,525	12,796	13,074	13,357	13,646	13,941	14,243

Source: Section Q, Page 129.

Step 3: Project Discharges at NHWCMC

The applicant assumes that a portion of its current share in the service area will shift to the new hospital. Novant Health’s current share of discharges represents Union County patients who have chosen to receive care from Novant Health outside the county, primarily in Mecklenburg County. The applicant projects that 15 percent of its existing share of discharges in the service area will shift to NHWCMC in project year one, with a gradual increase of 20 percent in project year two, and 25.0% in project year three. The applicant states that it believes these assumptions are reasonable based on its experience developing new community hospitals, existing provider relationships, and time for patients and providers to adapt to a new facility.

Area	Novant Health Share of Service Area CAC MSDRG Discharges CY 2024		
	NH Discharges	SA Discharges*	NH Share
Union County	3,959	12,000	33.0%

Source: Section Q, Table Q.6, page 129.

*SA= Service Area

Percentage Shift of Novant Health Share of Discharges to NHWCMC							
Area	Current Share	% of Existing Share that Will Shift to NHWCMC			Projected Discharges Based on % of Shared Shift		
	2024	2030	2031	2032	2030	2031	2032
Union County	33.0%	15.0%	20.0%	25.0%	675	920	1,175

Source: Section Q, page 130.

Note: Example: 2030 Union County [15.0% x 33.0% share of discharges = 4.95% x 13,646 = 675].

The applicant projected that NHWCMC will capture an incremental share of discharges (share not based on a shift of existing Novant Health acute care discharges) in keeping with its historical experience developing de novo community hospitals. The following table illustrates the incremental share of discharges the applicant projects to be served at NHWCMC during the first three project years.

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Incremental Share of Discharges to be Served at NHWCMC						
Area	Incremental Share			Projected Discharges Based on % of Shared Shift		
	2030	2031	2032	2030	2031	2032
Union County	2.5%	5.0%	10.0%	341	697	1,424

Source: Section Q, page 131.

The applicant states that the annual projected share of discharges and resulting discharges are reasonable and well-supported based on the following factors:

- The applicant already operates primary and specialty clinics in Union County.
- Letters of support from physicians currently serving patients in the service area.
- Novant Health’s reputation for delivering high-quality acute care services across North Carolina.
- The new hospital will feature state-of-the-art facilities.
- The new hospital will be strategically located to ensure accessibility for patients and physicians.
- The new hospital is positioned to serve the expanding community.

The applicant utilized county-based discharge share projections based on share of discharges result in the following projected share of CAC Medical Severity Diagnosis-Related Groups (MSDRGs) in the identified service area, as shown in the table below.

Projected NHWCMC Projected Share of CAC MSDRGs			
	2030	2031	2032
Union County	7.5%	11.6%	18.2%

Source: Section Q, page 132

The applicant assumes total acute care discharges (Table Q.1) increase by the same population growth rates identified in Step 2. The applicant projects share of all acute care discharges in the service area, as shown in the table below.

Projected NHWCMC Projected Share of All Acute Care Discharges			
Area	2030	2031	2032
Union County	5.0%	7.7%	12.2%

Source: Section Q, page 132

Step 4: Project In-Migration

The applicant anticipates that a portion of patients served at NH Wesley Chapel will originate from outside the defined service area. Approximately 16 percent of acute care discharges at AH Union’s were from out-of-state residents, as reflected in their 2025 license renewal application. Based on previous experience in Mecklenburg County, the applicant projects that 10 percent of total discharges at NH Wesley Chapel, which is proposed to be located 12 miles from the NC/SC border, will originate from outside the identified service area. This in-migration is expected to consist primarily of patients from South Carolina. The applicant’s total projected discharges for the first three years after project completion are shown in the table below.

NHWCMC Total Discharges During First Three Project Years			
Area	2030	2031	2032
Union County	1,016	1,617	2,599
In-Migration	113	180	289
Total Discharges	1,129	1,797	2,888

Source: Section Q, page 133

Step 5: Project Inpatient Days of Care at NHWCMC

The applicant reviewed discharges and days of care within the CAC MSDRGs served at NH Ballantyne and NH Mint Hill during CY2024 and applied the respective average length of stay (ALOS) to the projected acute care discharges to project inpatient days of care.

Service Area CAC MSDRG Discharges and Days of Care Served at Novant Health Hospitals, CY 2024		
Area	Discharges	Days of Care
Union County	418	1,263
ALOS	3.0	

Source: Section Q, page 133

The following table applies the projected ALOS to projected discharges at NHWCMC.

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NHWCRC Projected Discharges and Days of Care			
	2030	2031	2032
Acute Care Discharges	1,129	1,797	2,888
Days of Care	3,388	5,390	8,664
Average Daily Census (ADC)	9.3	14.8	23.7
% Occupancy	29.0%	46.1%	74.2%

Source: Section Q, page 133

ICU Bed Utilization

The applicant is proposing to develop four ICU beds. The applicant reviewed historical ICU days of care at NH Ballantyne and NH Mint Hill. The applicant stated that these facilities were identified as reasonable proxies for the proposed project due to their alignment in scope of services, location, and operational experience. The applicant projects that a portion of the respective facilities' existing share of discharges will shift to NHWCRC as described in Step 3. The applicant states that the historical experience of the NH facilities is a reasonable reflection of the utilization expected at NHWCRC.

Novant Health ICU Days of Care FY 2024			
	NH Mint Hill	NH Ballantyne[^]	Total
ICU Days	1,163	767	1,930
Total Days	8,061	6,170	14,231
ICU % of Total Days	14.4%	12.4%	13.6%

Source: Section Q, page 134

*Total days of care excludes NICU days

[^]NH Ballantyne does not have licensed ICU beds. It operates four intermediate acute care beds that provide an elevated level of care beyond standard medical/surgical beds. The applicant determined that including NH Ballantyne's intermediate acute care days in the analysis was appropriate because these beds offer a higher level of care than general med/surg and are more closely aligned with the intensity of ICU-level services.

The applicant applied the average ICU experience of the identified facilities (13.6 percent of total acute care days) to project ICU utilization at NH Wesley Chapel.

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NHWCMC ICU Days of Care			
	2030	2031	2032
ICU Days	459	731	1,175
Total Days	3,388	5,390	8,664
ICU # of Total Days	13.6%	13.6%	13.6%

Source: Section Q, page 134.

Labor, Delivery, Recovery and Postpartum (LDRP) Bed Utilization

The applicant is proposing to develop six LDRP beds. The applicant reviewed historical obstetrics days of care at NH Ballantyne and NH Mint Hill. The applicant stated that these facilities were identified as reasonable proxies for the proposed project due to their alignment in scope of services, location, and operational experience. The applicant projects that a portion of the respective facilities' existing share of discharges will shift to NHWCMC.

Novant Health Obstetrics Days of Care FY 2024			
	NH Mint Hill	NH Ballantyne^	Total
Obstetrics	1,193	901	2,094
Total Days	8,061	6,170	14,231
ICU % of Total Days	14.8%	14.6%	14.7%

Source: Section Q, page 135

*Total days of care excludes NICU days

The applicant applied the average obstetrics experience of the identified facilities (14.7 percent of the total acute care days) to project utilization at NHWCMC.

NHWCMC Obstetrics Days of Care			
	2030	2031	2032
ICU Days	499	793	1,275
Total Days	3,388	5,390	8,664
ICU # of Total Days	14.7%	14.7%	14.7%

Source: Section Q, page 135.

The applicant projected obstetrics discharges for the purpose of projecting the number of C-Section cases to be performed in the dedicated C-Section operating room. The applicant reviewed the average length of stay for service area obstetrics in the CAC MSDRGs that were served at NH Ballantyne and NH Mint Hill.

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Service Area Obstetrics Discharges & Days of Care Within CAC MSDRGs	
Served at NH Ballantyne & NH Mint Hill, CY2024	
Obstetrics Discharges	42
Obstetrics Days of Care	88
Average Length of Stay	2.1

Section Q, page 135

To project obstetrics discharges at NHWCMC, the applicant divided projected days of care by the average length of stay (2.1).

NHWCMC			
Obstetrics Discharges and Days of Care			
	2030	2031	2032
Obstetric Days	499	793	1,275
Obstetric Discharges	238	379	608

Source: Section Q, page 136.

NHWCMC is proposing to develop one dedicated C-Section operating room. The applicant reviewed historical utilization at NH Ballantyne and NH Mint Hill to project C-Section cases.

Historical Birth Utilization by Type, FFY 2024		
	Total	% of Total
Live Births – Vaginal Deliveries	624	69.0%
Live Births – C-Section	274	30.3%
Stillbirths	7	0.8%
Total	905	100.0%

Source: Section Q, page 136; 2025 License Renewal Applications.

During FFY 2024, approximately 30.3 percent of births were delivered via Cesarean Section. The applicant projects that NHWCMC will experience similar utilization as illustrated in the table below.

NHWCMC C-Section OR Cases			
	2030	2031	2032
Obstetrics Discharges	238	379	608
C-Section OR Cases	72	115	184

Source: Section Q, page 136.

Observation Bed Utilization

The applicant proposed project includes 12 observation beds. The applicant reviewed historical observation experience at NH Ballantyne and NH Mint Hill. The applicant stated that these facilities were identified as reasonable proxies for the proposed project due to their alignment in scope of services, location, and operational experience. The applicant projects that a portion of the respective facilities’ existing share will shift to NHWCMC.

Novant Health Observation Experience, FFY 2024			
	Discharges	Observations	Ratio to Discharges
NH Mint Hill	2,937	1,739	0.59
NH Ballantyne	1,974	951	0.48
Total	4,911	2,690	0.55

Source: Section Q, page 137; 2025 Hospital License Renewal Applications.

During FFY2024, the ratio of observation patients to discharges at NH Ballantyne and NH Mint Hill was 0.55. The respective observation patients had an ALOS of 22 hours. The applicant projects the same ratio for NHWCMC based on the historical experience of the identified facilities.

NHWCMC Observation Utilization				
	Ratio to Discharges	2030	2031	2032
IP Discharges	1.00	1,129	1,797	2,888
Observation Cases	0.55	619	984	1,582
Observation Hours (22 Hours Per Case)		13,610	21,650	34,800
Observation Days (Observation Hours ÷ 24)		567	902	1,450

Source: Section Q, page 137.

Surgical Utilization

The applicant reviewed the distribution of non-surgical vs. surgical inpatient discharges for service area patients within the CAC MDSRGs to project inpatient surgical utilization at NHWCMC.

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Service Area Surgical and Non-Surgical Discharges		
	2024	% of Total
Non-Surgical Discharges	9,807	81.7%
Surgical Discharges	2,193	18.3%
Total	12,000	100.0%

Source: Section Q, page 138; HIDI Inpatient Database.

According to HIDI CY 2023 data, approximately 18.3 percent of discharges were attributable to surgical inpatients and approximately 81.7 percent of discharges were attributable to medical, non-surgical discharges. The applicant utilized this data to project the distribution of medical and surgical patients at NHCWCMC.

NHCWCMC Medical/Surgical Inpatients			
	2030	2031	2032
Medical Inpatients (81.7%)	923	1,468	2,360
Surgical Inpatients (18.3%)	206	328	528
Total Medical/Surgical Discharges	1,129	1,797	2,888

Source: Section Q, page 138.

The applicant projects NHCWCMC will perform one inpatient surgical case for each surgical inpatient discharge.

NHCWCMC Inpatient Surgical Cases			
	2030	2031	2032
Inpatient Surgical Cases	206	328	528

Source: Section Q, page 138.

The applicant reviewed the FFY 2024 ratio of outpatient surgical cases to discharges at NH Ballantyne and NH Mint Hill to project outpatient surgical cases at NHCWCMC.

Ratio of Outpatient to Inpatient Discharges FY 2024			
	NH Mint Hill	NH Ballantyne	Total
Discharges	2,937	1,974	4,911
Ambulatory Surgery	1,408	1,471	2,879
Ratio Amb Surg to Discharges	0.479	0.745	0.586

Source: Section Q, page 138; 2025 Hospital License Renewal Applications.

During FFY2024, the ratio of outpatient surgeries to discharges at NH Ballantyne and NH Mint Hill was 0.586. Novant Health projects the same ratio for NH Wesley Chapel based on this historical experience. The following table provides the projected outpatient surgical cases at NHWCMC.

NHWCMC Outpatient Surgical Cases			
	2030	2031	2032
Discharges	1,129	1,797	2,888
Ratio of OP Surgical Cases to Discharges	0.586	0.586	0.586
Outpatient Surgical Cases	662	1,053	1,693

Source: Section Q, page 139.

The applicant states the proposed project does not increase the number of operating rooms in Union County; therefore, the Criteria and Standards for Surgical Services and Operating Rooms do not apply. The applicant anticipates that surgical utilization will be appropriately distributed across the hospital’s single operating room and four surgical procedure rooms, consistent with the facility’s scope of services and patient needs.

Emergency Department Utilization

The applicant reviewed the distribution of inpatient discharges that were admitted through the emergency department (ED) for the service area patients within the CAC MSDRGs to project ED utilization at NHWCMC.

The following table relies on the ER flag in the HIDI data to identify inpatients who came through the ED.

Service Area Emergency Department Admissions		
	2024	% of Total
Non-ED	3,808	31.7%
ED Admission	8,192	68.3%
Total	12,000	100.0%

Source: Section Q, page 140; HIDI Inpatient Database.

Approximately 68.3 percent of discharges were admitted via the ED. The applicant assumes the percentage of discharges in the CAC MSDRG set who come through the ED will remain stable through the first three years of operation. The table below applies these percentages to the projected inpatient discharges at NHWCMC.

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NHWCMC Inpatient Emergency Department Visits				
	Ratio to Discharges	2030	2031	2032
IP Discharges	1.00	1,129	1,797	2,888
IP ED Visit	0.683	771	1,226	1,971

The applicant reviewed the ratio of outpatient ED visits to inpatient discharges at NH Ballantyne and NH Mint Hill to project outpatient ED visits.

Ratio of Outpatient Emergency Department Visits to Inpatient Discharges, FFY 2024					
Novant Health Facility	Discharges	A	B	C=A-B	Ratio OP ED Visits: Discharges
		ED Visits	ED Visits Admitted	OP ED Visits	
NH Mint Hill	2,937	30,549	2,267	28,282	9.6
NH Ballantyne	1,974	16,894	1,522	15,372	7.8
Total	4,911	47,443	3,789	43,654	8.9

Source: Section Q, page 141; 2025 Hospital License Renewal Applications.

During FFY 2024, the ratio of outpatient ED visits to discharges at NH Ballantyne and NH Mint Hill was 8.9. The applicant considered the presence of existing and approved hospitals, as well as freestanding emergency departments (FSEDs) in Union County. The applicant states that NH Ballantyne and NH Mint Hill operate in a highly competitive market that has multiple hospitals and FSEDs within the Mecklenburg County service area. The applicant states that it believes that the historical ratio of outpatient ED visits to discharges observed at NH Ballantyne and NH Mint Hill serves as a reasonable benchmark for projecting ED visits and patient volume at NHWCMC. The applicant stated that it reduced this ratio by one-half when estimating utilization for NHWCMC to maintain conservative projections.

NHWCMC Outpatient Emergency Departments Visits				
	Ratio to Discharges	2030	2031	2032
IP Discharges	1.00	1,129	1,797	2,888
OP ED Visits	4.4	5,020	7,985	12,835

Source: Section Q, page 142

The following table combines projected inpatient and outpatient emergency department utilization.

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NHWCMC Emergency Department Visits			
	2030	2031	2032
IP ED Visits	771	1,226	1,971
OP ED Visits	5,020	7,985	12,835
Total ED Visits	5,791	9,212	14,806

Source: Section Q, page 142.

Imaging and Ancillary Utilization

The applicant proposes to provide imaging and other ancillary services to support its projected patients. The applicant reviewed utilization of the respective services at NH Ballantyne and NH Mint Hill to project utilization for imaging services. The applicant assumes that the projected utilization at NHWCMC will be comparable to the CY 2024 ratio of imaging procedures to inpatient days of care at NH Ballantyne and NH Mint Hill.

Imaging & Ancillary Service Ratios, CY2024		
NH Ballantyne & NH Mint Hill	IP	OP
	Per Discharge	Per OP Case*
X-Ray Procedures	2.9	0.86
Nuclear Medicine Procedures	0.12	0.03
Ultrasound Procedures	0.3	0.11
CT Scans	2.0	0.60
MRI Procedures (unweighted)	0.2	0.03
Echocardiogram	0.6	0.04
Physical Therapy	5.9	
Speech Therapy	0.4	
Occupational Therapy	2.9	
Lab	41.4	6.48
Pharmacy (Units)	200.4	30.9

Source: Section Q, page 143, Novant Health internal data

*OP Cases include outpatient emergency department visits and ambulatory surgery cases.

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NHWCMC Inpatient Imaging and Ancillary Services				
	Ratio to Discharges	2030	2031	2032
Total Discharges	1.0	1,129	1,797	2,888
X-Ray Procedures	2.9	3,308	5,263	8,459
Nuclear Medicine Procedures	0.12	140	223	358
Ultrasound Procedures	0.3	314	499	803
CT Scans	2.0	2,228	3,545	5,697
MRI Procedures (unweighted)	0.2	235	373	600
Echocardiogram	0.6	649	1,033	1,660
Physical Therapy	5.9	6,631	10,548	16,955
Speech Therapy	0.4	480	764	1,228
Occupational Therapy	2.9	3,327	5,292	8,507
Lab	41.4	46,806	74,459	119,685
Pharmacy (Units)	200.4	226,353	360,081	578,790

Source: Section Q, page 144

NHWCMC Outpatient Imaging and Ancillary Services				
	Ratio to OP Cases	2030	2031	2032
Total OP Cases*	1.00	5,682	9,038	14,528
X-Ray Procedures	0.86	4,910	7,812	12,556
Nuclear Medicine Procedures	0.03	185	295	474
Ultrasound Procedures	0.11	629	1,000	1,607
CT Scans	0.60	3,407	5,419	8,711
MRI Procedures (unweighted)	0.03	186	297	477
Echocardiogram	0.04	230	365	587
Lab	6.48	36,833	58,594	94,183
Pharmacy (Units)	30.90	175,560	279,281	448,912

Source: Section Q, page 144

*OP Cases include outpatient emergency department visits and ambulatory surgery cases.

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NHWCMC Total Imaging Procedures & Ancillary Services			
	2030	2031	2032
X-Ray Procedures	8,219	13,074	21,015
Nuclear Medicine Procedures	325	517	831
Ultrasound Procedures	943	1,499	2,410
CT Scans	5,635	8,964	14,408
MRI Procedures (unweighted)	421	670	1,076
Echocardiogram	879	1,398	2,247
Physical Therapy	6,631	10,548	16,955
Speech Therapy	480	764	1,228
Occupational Therapy	3,327	5,292	8,507
Lab	83,639	133,053	213,867
Pharmacy (Units)	401,913	639,362	1,027,701

Source: Section Q, page 144

The applicant reviewed mobile MRI utilization at NH Ballantyne to project adjusted MRI procedures at NHWCMC.

Table Q.39 NH Ballantyne Mobile MRI Utilization By Type		
MRI Procedure Type	NH Ballantyne	% of Total
Base IP	441	19.7%
Complex IP	222	9.9%
Total IP	663	
Base OP	816	36.5%
Complex OP	757	33.9%
Total OP	1,573	
Total MRI Procedures	2,236	100.0%

Source: Section Q, page 145; 2025 License Renewal Application.

The applicant assumes MRI utilization by scan type at NHWCMC will be comparable to NH Ballantyne. The applicant states that NH Ballantyne is comparable to NHWCMC because NH Ballantyne is geographically proximate to the proposed service area, comparable in size, and a

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new hospital with only mobile MRI access. The following table provides adjusted mobile MRI procedures at NHCWCMC.

NHCWCMC Mobile MRI Utilization by Type				
MRI Procedure Type	% of Total	2030	2031	2032
Base IP	66.5%	156	248	399
Complex IP	33.5%	79	125	201
Total IP	100.0%	235	373	600
Base OP	51.9%	97	154	247
Complex OP	48.1%	90	143	229
Total OP	100.0%	186	297	477
Total MRI Procedures		421	670	1,076

Source: Section Q, page 145.

The following table calculates adjusted mobile MRI procedures based on the weight by procedure type.

NHCWCMC Mobile MRI Utilization Adjusted Procedures				
MRI Procedure Type	Weight	2030	2031	2032
Base IP	1.82	284	452	726
Complex IP	2.12	166	265	426
Total IP		450	716	1,152
Base OP	1.00	97	154	247
Complex OP	1.21	109	173	278
Total OP		205	326	525
Total MRI Adjusted Procedures		656	1,043	1,676

Source: Section Q, page 145.

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

- The applicant based the projected utilization at NHCWCMC on HIDI data of acute care discharges within the CAC MSDRGs for patients in the identified service area in CY 2023.
- The applicant used the population growth rates for Union County zip codes to project the service area acute care discharges within the CAC MSDRGs.

- The applicant relied on data regarding discharges and days of care within the CAC MSDRGs served at its acute care hospitals during CY2024 and applied the respective ALOS to the projected acute care discharges to project inpatient days of care.
- The applicant projects that a portion of the patients in the service area that have received care from Novant Health outside of the county will shift to the new hospital.
- The applicant projects that NHWCMC will capture an incremental share of discharges (not based on a shift of existing Novant Health acute care discharges) based on its experience of developing new community hospitals.
- The applicant projects 16 percent of total discharges will originate from outside the identified service area.
- The applicant reviewed discharges and days of care within the CAC MSDRGs served at its acute care hospitals during CY 2024 and applied the respective average length of stay (ALOS) to the projected acute care discharge to project inpatient days of care.
- The applicant identified NH Ballantyne and NH Mint Hill as reasonable proxies for the proposed project due to their alignment in scope of services, location, and operations experience. The applicant used the data from these facilities to project ICU bed utilization and Labor, Delivery, Recovery, and Postpartum (LDRP) bed utilization.
- The applicant used reasonable methodologies and assumptions to demonstrate projected utilization and need for acute care beds.
- The applicant's projected utilization for the proposed acute care beds at NHWCMC exceeds the performance standard promulgated in 10A NCAC 14C .3803.

Access to Medically Underserved Groups

In Section C, pages 65-67, the applicant states that low-income persons, racial and ethnic minorities, women, disabled persons, persons 65 and older, Medicare beneficiaries, and Medicaid recipients will have access to NHWCMC. The applicant states that it does not discriminate on the basis of race, color, national origin, gender, disability, age, or the payor source. The applicant states that patients will receive the appropriate medical services regardless of their ability to pay. The applicant provides the estimated percentage for each medically underserved group during the third full fiscal year, as shown in the following table.

Group	Estimated Percentage of Total Patients during the Third Full Fiscal Year
Low-income persons	19.0%
Racial and ethnic minorities	23.7%
Women	50.7%
Persons with Disabilities*	
Persons 65 and older	34.9%
Medicare beneficiaries	34.9%
Medicaid recipients	10.4%

Source: Section C, page 67.

*Novant Health does not maintain data regarding the number of disabled 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 applicant provides a statement that underserved groups will have access to NHCWMC.
- The applicant provides documentation of its existing patient accessibility policies and patient financial policies in Exhibit C.6 and L.4 respectively.

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.

- (3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently

served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, ... persons [with disabilities], and other underserved groups and the elderly to obtain needed health care.

NA

**Atrium Health Union
Atrium Health Union West**

C

Novant Health Wesley Chapel Medical Center

Atrium Health Union - the application does not propose to reduce a service, eliminate a service or relocate a facility or service. Therefore, Criterion (3a) is not applicable to this review.

Atrium Health Union West - the application does not propose to reduce a service, eliminate a service or relocate a facility or service. Therefore, Criterion (3a) is not applicable to this review.

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

The applicant proposes to develop a new acute care hospital, Novant Health Wesley Chapel Medical Center (NHWCMC), with no more than 32 acute care beds pursuant to the 2025 SMFP need determination in Union County.

The application proposes to relocate one OR from the Presbyterian SameDay Surgery Center at Monroe (PSDSCM) to the proposed NH Wesley Chapel Medical Center.

In Section D, page 73, the applicant explains why it believes the needs of the population presently utilizing the OR services to be relocated will be adequately met following completion of the project. On pages 73-74, the applicant states:

“The needs of patients who would have continued to use PSDSCM will be fully met through the relocation of its existing licensed operating room to the proposed Novant Health Wesley Chapel Medical Center. PSDSCM, a licensed ambulatory surgery center with one operating room, ceased operations following significant flood damage in 2013 and has remained permanently closed since that time. Accordingly, no patients are currently being served at the PSDSCM facility, and there is no expectation that it will resume operations prior to completion of the proposed project...”

...The proposed relocation ensures that the licensed surgical capacity formerly available at PSDSCM remains preserved and will be repurposed in a modern, full-service hospital environment designed to improve geographic access and care coordination for Union County residents. Importantly, this relocation does not reduce or eliminate surgical capacity within Union County. Rather, it maintains the same number of licensed operating rooms while enhancing their accessibility and utility by placing the OR within a setting that offers comprehensive inpatient and outpatient services, advanced surgical technology, and a full continuum of care. Stated another way, as a result of this project, an asset that cannot be used at its present location due to flood damage will be fully utilized as part of NH Wesley Chapel.”

In Section D, page 74, the applicant states,

“PSDSCM is no longer operational, the proposed project does not reduce access for any patient group. Instead, relocation of the existing OR into a modern, full-service hospital will enhance access, reduce travel burdens, and expand the availability of services for vulnerable populations, thereby improving equity in healthcare delivery across Union County.”

Access to Medically Underserved Groups

In Section D.2, page 73, the applicant states,

“The proposed project involves the relocation of the existing licensed OR from PSDSCM to the new Novant Health Wesley Chapel hospital. Since PSDSCM has remained closed following extensive flood damage in 2013, no patients are currently being served at that facility. Therefore, the reduction or elimination of services at PSDSCM will have no negative effect on the ability of patients, including the groups identified below, to obtain needed care.”

In Section C, pages 65-67, the applicant states that low-income persons, racial and ethnic minorities, women, disabled persons, persons 65 and older, Medicare beneficiaries, and Medicaid recipients will have access to NHCWC. The applicant states that it does not discriminate on the basis of race, color, national origin, gender, disability, age, or the payor source. The applicant states that patients will receive the appropriate medical services regardless of their ability to pay.

The applicant provides the estimated percentage for each medically underserved group during the third full fiscal year, as shown in the following table.

Group	Estimated Percentage of Total Patients during the Third Full Fiscal Year
Low-income persons	19.0%
Racial and ethnic minorities	23.7%
Women	50.7%
Persons with Disabilities*	
Persons 65 and older	34.9%
Medicare beneficiaries	34.9%
Medicaid recipients	10.4%

Source: Section C, page 67.

*Novant Health does not maintain data regarding the number of disabled 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.

Conclusion

The Agency reviewed the:

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

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

C – All Applications

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

The applicant proposes to develop 46 acute care beds at Atrium Health Union, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project and Project ID# F-12442-23.

In Section E, pages 72-73, the applicant describes the alternatives considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Develop a Different Number of Beds at AH Union: The applicant considered developing a different number of beds at Atrium Health Union. However, developing fewer than 46 acute care beds would not meet the need for additional capacity to accommodate the increasing number of patients who choose Atrium Health Union for care. Therefore, this is a less effective alternative.
- Develop the Proposed Additional Acute Beds at a New Location: The applicant determined that developing the proposed acute care beds at a new location in Union County would be less effective than developing them at an existing location. Atrium Health Union and Atrium Health Union West are geographically distributed to ensure accessible care across Union County's population centers, providing comprehensive coverage that meets the healthcare needs of residents throughout the region. With such comprehensive coverage of the county's population through these two facilities, CMHA determined an additional hospital site is not needed and would likely result in unnecessary duplication of resources. Therefore, this is a less effective alternative.

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

- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative.

- The application is conforming to all other statutory and regulatory review criteria.

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

The applicant proposes a change of scope (COS) and cost overrun (COR) for Project ID# F-12575-24 (develop 46 acute care beds) to develop 90 additional acute care beds at Atrium Health Union West, for a total of 184 acute care beds upon completion of this project and Project ID# F-12575-24.

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

- Develop a Different Number of Beds at Atrium Union West: The applicant states that it is actively growing its existing service lines and increasing its specialized care offerings. The applicant states that these service expansions are crucial for allowing Union County residents to receive more care locally but require adequate bed capacity to support them. Developing fewer than 90 acute care beds would not meet the need for additional capacity to accommodate the increasing number of patients who choose Atrium Health Union West for care; therefore, this was not an effective alternative.
- Develop the Proposed Additional Acute Care Beds at a New Location: The applicant determined an additional hospital site is not needed and would likely result in unnecessary duplication of resources. Developing the proposed acute care beds at existing facilities allows for more efficient utilization of staff, equipment, and support services while maintaining geographic accessibility; therefore, this was not an effective alternative.

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

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

The applicant proposes to develop a new acute care hospital, Novant Health Wesley Chapel Medical Center (NHWCMC), with no more than 32 acute care beds pursuant to the 2025 SMFP need determination in Union County.

In Section E, pages 77-79, the applicant describes the alternatives considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintain the Status Quo: The applicant states under this alternative, Novant Health would not seek approval to develop a new acute care hospital in Union County. The applicant determined this option would not enhance competition within the acute care service area and deny patients the benefits of greater choice. Therefore, this was not an effective alternative.
- Develop a Different Number of Acute Care Beds at NH Wesley Chapel: The applicant states that applying for a smaller number of acute care beds than proposed would be insufficient to adequately address the growing healthcare needs of service area residents. The applicant states this project will allow Novant Health to meet growing demand for acute care services and also enhance competition between it and the other health system in Union County. Therefore, this was not an effective alternative.
- Develop NH Wesley Chapel at a Different Location in the Service Area: The applicant states the central location connectivity to major highways and watershed considerations contributed to the feasibility of site selection. The proposed site offers sufficient available watershed capacity, ensuring that the facility can be developed in compliance with stormwater and environmental regulations. Therefore, not utilizing the proposed location was not an effective alternative.

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

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

Conclusion – The Agency reviewed the:

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

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

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

C – All Applications

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

The applicant proposes to develop 46 acute care beds at Atrium Health Union, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project and Project ID# F-12442-23.

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

Site Prep	\$251,000
Construction/ Renovation Contract	\$65,168,000
Landscaping	\$18,000
Architect/Engineering Fees	\$4,524,000
Medical Equipment	\$6,598,000
Non-Medical Equipment	\$396,000
Furniture	\$1,250,000
Consultant/Legal Fees	\$175,000
Financing Costs	\$429,971
Interest During Construction	\$5,347,326
Other (Info Systems, Internal allocation, security)	\$15,092,000
Total	\$99,249,297

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

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

In Section F, page 76, the applicant states that there are no projected start-up expenses or initial operating expenses because the project does not involve a new service. This information is reasonable and adequately supported because AH Union is an existing hospital and will continue to operate during and after development of the proposed project.

Availability of Funds – In Section F, page 75, the applicant states the entire projected capital expenditure of \$ 99,249,297 will be funded with CMHA's accumulated reserves.

In Exhibit F.2-1, the applicant provides a letter dated October 15, 2025, from the Executive Vice President and Chief Financial Officer for CMHA, stating that CMHA has sufficient accumulated reserves to fund the projected capital cost and committing to providing that funding to develop the proposed project.

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

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

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

Financial Feasibility – The applicant provided pro forma financial statements for the first three full fiscal years of operation following project completion. In Section Q, Form F.2b, page 128, the applicant projects revenues will exceed operating expenses in each of the first three full fiscal years following project completion, as shown in the table below.

2025 Union Acute Care Bed Review
 Project ID #: F-12701-25, F-12707-25, & F-12717-25
 Page 55

Projected Revenues and Operating Expenses – AH Union Acute Care Beds			
	1st Full FY CY 2030	2nd Full FY CY 2031	3rd Full FY CY 2032
Total Discharges*	10,022	10,251	10,486
Total Gross Revenues (Charges)	\$270,560,528	\$285,048,985	\$300,313,296
Total Net Revenue	\$66,418,374	\$69,975,063	\$73,722,213
Total Net Revenue per discharge	\$6,627	\$6,826	\$7,030
Total Operating Expenses (Costs)	\$77,064,092	\$80,290,118	\$83,687,643
Total Operating Expenses per discharge	\$7,689	\$7,832	\$7,980
Net Income/(Losses)	(\$10,645,718)	(\$10,315,054)	(\$9,965,430)
Depreciation[^]	9,528,438	9,596,871	9,667,357
Net Cash Flow** (application)	\$87,709,810	\$90,605,172	\$93,653,072
Net Cash Flow** (Analyst calculations)	(\$1,117,280)	(\$718,183)	(\$298,073)

*Source: Section Q, Form C.1b, page 114, Form F.2a, page 128

[^]Source: Section Q, Form F.3b

**Net Cash Flow = Net Income + Depreciation

The assumptions used by the applicant in preparation of the pro forma financial statements are provided immediately following Forms F.2 and F.3 in Section Q.

Although the applicant’s financial pro-forma forms project a loss in the first three full fiscal years following project completion, the audited financial statements in Exhibit F.2-2 show cash and cash equivalents of \$792,206,000 and total assets of \$2,716,488,000 for year ending December 31, 2024.

In the applicant’s response to comments, page 12, the applicant acknowledges a formula error in the Net Cash Flow calculation.

In the applicant’s response to comments, page 13, the applicant states:

“The positive net cash flow at Atrium Health Union West more than offsets any shortfall at Atrium Health Union, demonstrating the license overall is financially viable on acute care bed charges alone without considering the substantial ancillary revenues generated by inpatient services...”

...In summary, while CMHA acknowledges that formula error, the application nonetheless demonstrates financial feasibility through (1) the positive combined net cash flow of the Atrium Health Union license, (2) the substantial ancillary revenues not reflected in the service component financials, and (3) the overall financial strength of CMHA.”

The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant clearly details the sources of data used to project revenues and expenses.

- The applicant bases projections on his own historical experience and provides supporting documentation for the financial feasibility of the project.
- 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 not conforming to this criterion for the following reasons:

- The applicant adequately demonstrates the financial feasibility of the proposal is based upon the information provided in Forms F.2b, Form F.3b, and the Charlotte Mecklenburg Hospital Authority (Atrium Health CMHA) Basic Financial Statements for the year ending December 31, 2024.

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

The applicant proposes a change of scope (COS) and cost overrun (COR) for Project ID# F-12575-24 (develop 46 acute care beds) to develop 90 additional acute care beds at Atrium Health Union West, for a total of 184 acute care beds upon completion of this project and Project ID# F-12575-24.

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

AH Union West			
Previously Approved and Proposed Capital Cost			
	Previously Approved Capital Costs for F-12440-23	Proposed New Capital Cost for F-12707-25	Difference
Site Preparation	\$2,186,000	\$18,013,000	\$15,827,000
Construction & Renovation Contracts	\$64,886,000	\$158,995,000	\$94,109,000
Landscaping	\$50,000	\$92,000	\$42,000
Architect/Engineering Fees	\$5,076,000	\$11,531,000	\$6,455,000
Medical Equipment	\$14,612,000	\$24,387,000	\$9,775,000
Non-Medical Equipment	\$1,502,000	\$2,043,000	\$541,000
Furniture	\$1,057,000	\$2,827,000	\$1,770,000
Consultant/Legal Fees	\$135,000	\$310,000	\$175,000
Financing Costs	\$510,122	\$1,214,612	\$704,490
Interest During Construction	\$5,021,634	\$16,129,512	\$11,107,878
Other (Info Systems, Internal allocation, security)	\$21,392,000	\$45,848,000	\$24,456,000
Total	\$116,427,756	\$281,390,124	\$164,962,368

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

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

In Section F, page 81, the applicant states that there are no projected start-up expenses or initial operating expenses because the project does not involve a new service. This information is reasonable and adequately supported because AH Union West is an existing hospital and will continue to operate during and after development of the proposed project.

Availability of Funds – In Section F, page 80, the applicant states the entire projected capital expenditure of \$164,962,368 will be funded with CMHA’s accumulated reserves.

In Exhibit F.2-1, the applicant provides a letter dated October 15, 2025, from the Executive Vice President and Chief Financial Officer for CMHA, stating that CMHA has sufficient accumulated reserves to fund the projected capital cost and committing to providing that funding to develop the proposed project.

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

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

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

Financial Feasibility – The applicant provided pro forma financial statements for the first three full fiscal years of operation following project completion. In Section Q, Form F.2b, page 136, the applicant projects revenues will exceed operating expenses in each of the first three full fiscal years following project completion, as shown in the table below.

Projected Revenues and Operating Expenses – AH Union West Acute Care Beds			
	1st Full FY CY 2033	2nd Full FY CY 2034	3rd Full FY CY 2035
Total Discharges*	10,172	11,643	13,327
Total Gross Revenues (Charges)	\$258,537,617	\$304,799,821	\$359,340,092
Total Net Revenue	\$70,569,042	\$83,196,525	\$98,083,545
Total Net Revenue per discharge^	\$6,938	\$7,146	\$7,360
Total Operating Expenses (Costs)	\$70,127,668	\$78,908,870	\$88,819,263
Total Operating Expenses per discharge^	\$6,894	\$6,777	\$6,665
Net Income/(Losses)	\$441,374	\$4,287,656	\$9,264,282

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

^May not sum due to rounding

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

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

Conclusion – The Agency reviewed the:

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

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

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

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

The applicant proposes to develop a new acute care hospital, Novant Health Wesley Chapel Medical Center (NHWC MC), with no more than 32 acute care beds pursuant to the 2025 SMFP need determination in Union County.

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

Land Purchase	\$8,750,000
Closing Costs	\$75,000
Construction/Renovation Contract(s)	\$233,842,724
Architect / Engineering Fees	\$25,722,700
Medical Equipment	\$24,308,314
Non-Medical Equipment	\$13,088,351
Furniture	\$8,059,920
Consultant Fees	\$100,000
Other (Contingency)	\$32,119,701
Total	\$346,066,710

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

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

In Section F, page 82, the applicant projects that start-up costs will be \$7,440,370. The applicant projects initial operating expenses for the project will be \$12,040,349, for a total working capital of \$19,480,719. On pages 82-83, the applicant provides the assumptions and methodology used to project the start-up costs associated with the project. The applicant adequately demonstrates that the projected start-up costs for the project are based on reasonable and adequately supported assumptions based on the following:

- Start-up costs are based on the applicant's projections related to the initial 12-month operating period gives time for cash in-flow to exceed cash out-flow.
- Additional start-up costs are based on the applicant's projections related to staff training, general overhead expenses and other expenses prior to offering services at NHWCMC.

Availability of Funds – In Section F, page 80, the applicant states the entire projected capital expenditure of \$346,066,710 will be funded by Novant Health Inc. accumulated reserves.

In Exhibit F.2, the applicant provides a letter dated October 5, 2025, from the Executive Vice President and Chief Financial Officer for Novant, stating that Novant has sufficient accumulated reserves to fund all projected capital costs and committing to providing that funding to develop the proposed project.

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

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

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

Financial Feasibility – The applicant provided pro forma financial statements for the first three full fiscal years of operation following project completion. On Form F.2b in Section Q, page 148,

the applicant projects revenues will exceed operational expenses by the third full fiscal year following project completion, as shown in the table below.

NHWCMC Revenues and Operating Expenses – Inpatient Services			
	1st Full FY CY 2030	2nd Full FY CY 2031	3rd Full FY CY 2032
Number of Discharges [^]	1,129	1,797	2,888
Total Gross Revenues (Charges)	\$43,841,448	\$71,297,834	\$118,013,886
Total Net Revenue	\$13,243,177	\$21,537,640	\$35,643,847
Total Net Revenue per Discharge	\$11,730	\$11,985	\$12,342
Total Operating Expenses (Costs)	\$21,609,585	\$23,898,250	\$27,532,595
Total Operating Expense per Discharge	\$19,140	\$13,298	\$9,533
Net Income/(Losses)	(\$8,366,408)	(\$2,360,609)	\$8,111,252

[^]Source: Section Q, Form C.1b, page 123

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

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

Conclusion

The Agency reviewed the:

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

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

- The applicant adequately demonstrates that the capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
- The applicant adequately demonstrates availability of sufficient funds for the capital needs of the proposal for all the reasons described above.

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

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

C – All Applications

The 2025 SMFP includes a need determination for 136 acute care beds in the Union County service area.

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

As of the date of this decision, there are 245 existing and approved acute care beds, allocated to one existing hospital owned by Atrium Health in the Union County Service Area, as illustrated in the following table.

Union County Acute Care Hospital Campuses	
Facility	Existing/Approved Beds (Excl. Neonatal)
Atrium Health Union	186/59
Union County Total	186/59

Source: 2026 LRA

* Atrium Health Union is currently licensed for 186 acute care beds, excluding neonatal beds, including those at both Atrium Health Union (138/13) and Atrium Health Union-West (48/46).

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

The applicant proposes to develop 46 acute care beds at Atrium Health Union, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project and Project ID# F-12442-23.

In Section G, page 83, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved acute care bed services in Union County. On page 83, the applicant states:

“The 2025 SMFP includes a need determination for 136 additional acute care beds in Union County. Notably, the need in the 2025 SMFP was generated by the highly

utilized acute care services at Atrium Health Union and Atrium Health Union West. Further, the projected utilization included with this application demonstrates that the proposed acute care capacity at Atrium Health Union will not unnecessarily duplicate existing or approved facilities. Thus, the proposed project will not result in any unnecessary duplication.”

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

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

The applicant proposes a change of scope (COS) and cost overrun (COR) for Project ID# F-12575-24 (develop 46 acute care beds) to develop 90 additional acute care beds at Atrium Health Union West, for a total of 184 acute care beds upon completion of this project and Project ID# F-12575-24.

In Section G, page 89, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved acute care bed services in Union County. On page 89, the applicant states:

“The 2025 SMFP includes a need determination for 136 additional acute care beds in Union County. Notably, the need in the 2025 SMFP was generated by the highly utilized acute care services at Atrium Health Union and Atrium Health Union West. Further, the projected utilization included with this application demonstrates that

the proposed acute care capacity at Atrium Health Union West will not unnecessarily duplicate existing or approved facilities. Thus, the proposed project will not result in any unnecessary duplication.”

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

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

The applicant proposes to develop a new acute care hospital, Novant Health Wesley Chapel Medical Center (NHWCMC), with no more than 32 acute care beds pursuant to the 2025 SMFP need determination in Union County.

In Section G, page 89, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved acute care beds in Union County. On page 89, the applicant states:

“The proposed project will not result in unnecessary duplication of existing or approved facilities in Union County. The 2025 SMFP has identified a need for 136 additional acute care beds in the service area because of acute care utilization

in the service area is projected to exceed the capacity of the existing and approved acute care beds in Union County. Novant Health does not operate any hospitals in Union County.”

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

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

Conclusion – The Agency reviewed the:

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

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

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

C – All Applications

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

The applicant proposes to develop 46 acute care beds at Atrium Health Union, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project and Project ID# F-12442-23.

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

AH Union Acute Care Beds Current & Projected Staffing (in FTEs)				
Position	Current	Projected – FYs 1-3		
	12/31/2024	CY 2030	CY 2031	CY 2032
Registered Nurses	175.0	204.7	209.4	214.2
Licensed Practical Nurses	14.1	15.7	16.1	16.4
Certified Nurse Aides/Nursing Assistants	76.3	84.9	86.8	88.8
Supervisory	19.8	22.0	22.5	23.0
Clerical	12.0	13.3	13.6	13.9
Technician	3.8	4.2	4.3	4.4
Temporary Help	36.7	30.6	31.3	32.0
Total Staffing	337.6	375.3	383.9	392.7

The assumptions and methodology used to project staffing are provided on Form H Assumptions immediately following Form H in Section Q. Adequate costs for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b, which is found in Section Q. In Section H, pages 85-87, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

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

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

The applicant proposes a change of scope (COS) and cost overrun (COR) for Project ID# F-12575-24 (develop 46 acute care beds) to develop 90 additional acute care beds at Atrium Health Union West, for a total of 184 acute care beds upon completion of this project and Project ID# F-12575-24.

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

AH Union West Acute Care Beds Current & Projected Staffing (in FTEs)				
Position	Current	Projected – FYs 1-3		
	12/31/2024	CY 2033	CY 2034	CY 2035
Registered Nurses	77.6	147.3	168.6	192.9
Licensed Practical Nurses	6.3	11.3	12.9	14.8
Certified Nurse Aides/Nursing Assistants	18.4	61.0	69.9	80.0
Supervisory	7.5	15.8	18.1	20.7
Clerical	2.2	9.6	10.9	12.5
Technician	5.4	3.0	3.4	3.9
Temporary Help	3.4	22.0	25.2	28.8
Total Staffing	120.8	270.0	309.0	353.7

The assumptions and methodology used to project staffing are provided on Form H Assumptions immediately following Form H in Section Q. Adequate costs for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b, which is found in Section Q. In Section H, pages 91-93, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

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

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

The applicant proposes to develop a new acute care hospital, Novant Health Wesley Chapel Medical Center (NHWCMC), with no more than 32 acute care beds pursuant to the 2025 SMFP need determination in Union County.

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

NH Wesley Chapel Medical Center Current & Projected Staffing (in FTEs) Inpatient Services			
Position	Projected – FYs 1-3		
	CY 2031	CY 2032	CY 2033
Administrator	7.41	7.41	7.41
Central Sterile Supply	0.89	0.89	0.89
Cert. Nurse Aides / RN Assistants	4.61	4.61	4.61
Cert. Registered RN Anesthetists	1.80	1.80	1.80
Clerical Staff	6.64	6.64	6.64
Director of Nursing	0.30	0.30	0.30
Laboratory Technicians	4.13	4.13	4.13
Lactation Consultants	1.50	1.50	1.50
Maintenance/Engineering	0.89	0.89	0.89
Materials Management	0.89	0.89	0.89
Medical Records	0.44	0.44	0.44
Occupational Therapists	0.75	0.75	0.75
Other (Public Safety)	3.72	3.72	3.72
Pharmacists	1.83	1.83	1.83
Pharmacy Technicians	1.36	1.36	1.36
Physical Therapists	2.00	2.00	2.00
Physical Therapy Assistant	0.75	0.75	0.75
Radiology Technologists	7.41	7.41	7.41
Registered Nurses	21.99	21.99	21.99
Respiratory Therapists	8.50	8.50	8.50
Social Workers	1.25	1.25	1.25
Speech Therapists	0.50	0.50	0.50
Surgical Technicians	3.60	3.60	3.60
Total Staffing	83.15	83.15	83.15

The assumptions and methodology used to project staffing are provided immediately following Form O in Section Q. Adequate costs for the health manpower and management positions proposed by the applicant are budgeted in Form F.3a, which is found in Section Q. In Section H, pages 91-93, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs. The applicant provides supporting documentation in Exhibit H-3.

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

- The applicant adequately documents the number of FTEs it projects will be needed to offer the proposed services.
- The applicant accounts for projected salaries and other costs of employment in its projected operating expenses found on Form F.3a in Section Q.

- The applicant provides adequate documentation of its proposed recruitment, training, and continuing education programs.

Conclusion – The Agency reviewed the:

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

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

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

C – All Applications

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

The applicant proposes to develop 46 acute care beds at Atrium Health Union, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project and Project ID# F-12442-23.

Ancillary and Support Services – In Section I, page 88, the applicant identifies the necessary ancillary and support services for the proposed services. In Section I, page 88, the applicant explains how each ancillary and support service is made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

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

Coordination – In Section I, page 89, the applicant describes AHUC’s existing and proposed relationships with other local health care and social service providers and provides supporting

documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

The applicant proposes a change of scope (COS) and cost overrun (COR) for Project ID# F-12575-24 (develop 46 acute care beds) to develop 90 additional acute care beds at Atrium Health Union West, for a total of 184 acute care beds upon completion of this project and Project ID# F-12575-24.

The application for Project ID# F-12575-24 was found conforming to this criterion and no changes are proposed in this application which would affect that determination.

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

The applicant proposes to develop a new acute care hospital, Novant Health Wesley Chapel Medical Center (NHWCMC), with no more than 32 acute care beds pursuant to the 2025 SMFP need determination in Union County.

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

Coordination – In Section I, pages 96-97, the applicant describes Novant’s existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibits 1.1., and Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- NH Wesley Chapel will be part of Novant Health which is a longstanding existing healthcare system in North Carolina and collaborates with other local health care and social service providers in the service area and surrounding communities.
- In Exhibit I.2, the applicant provides letters from local physicians and healthcare providers documenting their support for Novant.

Conclusion – The Agency reviewed the:

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

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

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

NA – All Applications

None of the applicants project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the services will be offered. Furthermore, none of the applicants project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina county in which the services will be offered. Therefore, Criterion (9) is not applicable to this review.

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

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

NA – All Applications

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

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

C – All Applications

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

The applicant proposes to develop 46 acute care beds at Atrium Health Union, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project and Project ID# F-12442-23.

In Section K, page 91, the applicant states that the project involves renovating 47,600 square feet of existing space on levels 03 and 04 of a new four-floor addition planned for Atrium Health Union's main campus. Line drawings are provided in Exhibit C.1-2.

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

- The applicant states the proposed acute care beds will be developed in the new four-floor addition planned for Atrium Health Union's main campus.
- The applicant states that the layout of the spaces to be used are based on a configuration that provides the most efficient circulation and throughput for patients and caregivers and that the exterior envelope of the tower will be energy efficient and low maintenance.

On page 92, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

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

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

The applicant proposes a change of scope (COS) and cost overrun (COR) for Project ID# F-12575-24 (develop 46 acute care beds) to develop 90 additional acute care beds at Atrium Health Union West, for a total of 184 acute care beds upon completion of this project and Project ID# F-12575-24.

In Section K, page 98, the applicant states that the project involves construction of 36,900 square feet of new space for a second patient tower which will house 48 of the proposed additional licensed acute care beds and associated support spaces across three floors. The applicant states that it is also renovating of 29,450 square feet of existing space on of South Tower 1 on Atrium Health Union West's campus to accommodate 18 licensed acute care beds. Line drawings are provided in Exhibit C.1-1.

In Section K, pages 98-99, the applicant adequately explains how the cost, design, and means of construction represent the most reasonable alternative for the proposal based on the following:

- Costs were derived from recent historical cost information using cost modeling tools.
- The applicant states that the layout of the spaces to be used are based on a configuration that provides the most efficient circulation and throughput for patients and caregivers and that the exterior envelope of the tower will be energy efficient and low maintenance.

- The applicant states that by developing the acute care beds in the new patient tower, it can add acute care bed capacity and develop it efficiently at a reasonable cost.

On page 99, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

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

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

The applicant proposes to develop a new acute care hospital, Novant Health Wesley Chapel Medical Center (NHWCMC), with no more than 32 acute care beds pursuant to the 2025 SMFP need determination in Union County.

In Section K, page 100, the applicant states that the project involves construction of 201,498 square feet of new space. Line drawings for the newly constructed space are provided in Exhibit K.1.

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

- The applicant states the project architect has reviewed the necessary construction for the proposed project and has estimated project costs.

- The applicant identified alternatives and determined the proposed project was the most reasonable alternative.

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

- The applicant states the costs and charges to the public should not increase because no major payor bases payment on the costs of a specific hospital.
- The applicant states the payment rates are set by the federal government and third parties and will not increase the cost to NHWCMC or the patients.

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

Conclusion – The Agency reviewed the:

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

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

- (13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and ... persons [with disabilities], which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:
- (a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

NA
Novant Health Wesley Chapel Medical Center

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

In Section L, page 95, the applicant provides the historical payor mix during CY 2024 at AH Union, as shown in the table below.

AH Union Historical Payor Mix – CY 2024	
Payor Category	Entire Facility
Self-Pay	4.8%
Medicare*	47.2%
Medicaid*	16.6%
Insurance*	28.2%
Workers Compensation	0.4%
Other**	2.9%
Total	100.0%

*Including any managed care plans.

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

Source: Atrium Health internal data

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

In Section L, page 96, the applicant provides the following comparison.

AH Union	Percentage of Total Patients Served During CY 2024	Percentage of the Population of Union County
Female	55.8%	50.3%
Male	44.2%	49.7%
Unknown	0.0%	0.0%
64 and Younger	67.3%	86.2%
65 and Older	32.7%	13.8%
American Indian	0.4%	0.7%
Asian	1.2%	5.2%
Black or African American	24.7%	12.9%
Native Hawaiian or Pacific Islander	0.0%	0.1%
White or Caucasian	60.8%	78.7%
Other Race	12.0%	2.4%
Declined / Unavailable	0.9%	0.0%

Source: Atrium Health internal data; US Census Bureau

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments

Based on that review, the Agency concludes that the applicant adequately documents the extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved. Therefore, the application is conforming to this criterion.

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

In Section L, page 102, the applicant provides the historical payor mix during CY 2024 at AH Union West, as shown in the table below.

AH Union West Historical Payor Mix – CY 2024	
Payor Category	Entire Facility
Self-Pay	3.9%
Medicare*	39.2 %
Medicaid*	13.6%
Insurance*	40.6%
Worker's Compensation	0.6%
Other**	2.1%
Total	100.0%

*Including any managed care plans.

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

Source: Atrium Health internal data

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

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

AH Union West	Percentage of Total Patients Served During CY 2024	Percentage of the Population of Union County
Female	59.2%	50.3%
Male	40.8%	49.7%
Unknown	0.0%	0.0%
64 and Younger	71.6%	86.2%
65 and Older	28.4%	13.8%
American Indian	0.5%	0.7%
Asian	2.4%	5.2%
Black or African American	18.9%	12.9%
Native Hawaiian or Pacific Islander	0.0%	0.1%
White or Caucasian	63.0%	78.7%
Other Race	13.8%	2.4%
Declined / Unavailable	1.4%	0.1%

Source: Atrium Health internal data; US Census Bureau

Conclusion – The Agency reviewed the:

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

Based on that review, the Agency concludes that the applicant adequately documents the extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved. Therefore, the application is conforming to this criterion.

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

Novant Health Wesley Chapel Medical Center 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;

C

Atrium Health Union

Atrium Health Union West

NA

Novant Health Wesley Chapel Medical Center

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

Regarding any obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities, in Section L, page 97, the applicant states it has no such obligation.

In Section L, page 98, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against the facility.

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

Regarding any obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities, in Section L, page 104, the applicant states it has no such obligation. However, the applicant states, Atrium Health Union West provides and will continue to provide services to all persons in need of medical care, regardless of race, color, religion, national origin, age, sex, sexual orientation, gender identity, gender expression, disability, or source of payment as demonstrated in CMHA's Non-Discrimination policies.

In Section L, page 105, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against the facility.

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

Novant Health Wesley Chapel Medical Center 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 – All Applications

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

In Section L, pages 98-99, the applicant projects the following payor mix during the third full fiscal year of operation following completion of the project, as illustrated in the following table.

AH Union Projected Payor Mix – CY 2032 (PY3)		
Payor Category	Entire Facility	Acute Care Beds (AHU campus only)
Self-Pay	4.8%	3.8%
Medicare*	47.2%	51.7%
Medicaid*	16.6%	21.1%
Insurance*	28.2%	21.0%
Workers Compensation	0.4%	0.1%
Other**	2.9%	2.3%
Total	100.0%	100.0%

*Including any managed care plans.

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

Source: Atrium Health internal data

As shown in the table above, during the third full fiscal year of operation following completion of the project, the applicant projects that 4.8% of total services and 3.8% of acute care bed services will be provided to self-pay patients, 47.2% of total services and 51.7% of acute care bed services to Medicare patients, and 16.6% of total services and 21.1% of acute care bed services to Medicaid patients.

In Section L, page 99, the applicant states that Atrium’s internal data does not track charity care as a payor source, that patients in any payor category can receive charity care, and projects that 4.7% of patients will receive charity care. In the assumptions immediately following Forms F.2 and F.3, the applicant states its projected charity care amount is the difference between the gross revenue and net revenue for self-pay patients.

On page 131, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

In Section L, pages 105-106, the applicant projects the following payor mix during the third full fiscal year of operation following completion of the project, as illustrated in the following table.

AH Union West Projected Payor Mix – CY 2035		
Payor Category	Entire Facility	Acute Care Beds
Self-Pay	3.9%	2.8%
Medicare*	39.2%	43.1%
Medicaid*	13.6%	17.7%
Insurance*	40.6%	34.5%
Worker’s Compensation	0.6%	0.1%
Other**	2.1%	1.8%
Total	100.0%	100.0%

*Including any managed care plans.

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

Source: Atrium Health internal data

As shown in the table above, during the third full fiscal year of operation following completion of the project, the applicant projects that 3.9% of total services and 2.8% of acute care bed services will be provided to self-pay patients, 39.2% of total services and 41.3% of acute care bed services to Medicare patients, and 13.6% of total services and 17.7% of acute care bed services to Medicaid patients.

In Section L, page 106, the applicant states that Atrium’s internal data does not include charity care as a payor source, that patients in any payor category can receive charity care, and projects that 3.0% of patients will receive charity care. In the assumptions immediately following Forms F.2 and F.3, the applicant states its projected charity care amount is the difference between the gross revenue and net revenue for self-pay patients.

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

In Section L, page 107, the applicant projects the following payor mix during the third full fiscal year of operation following completion of the project, as illustrated in the following table.

NHWCMC Projected Payor Mix – CY 2032		
Payor Category	Entire Facility	Inpatient Services
Self-Pay	6.3%	9.5%
Medicare*	44.4%	34.2%
Medicaid*	13.6%	10.2%
Insurance*	32.7%	43.8%
Other**	3.0%	2.3%
Total	100.0%	100.0%

*Including any managed care plans.

** Other includes Other Govt, Institutional, Workers Comp

As shown in the table above, during the third full fiscal year of operation following completion of the project, the applicant projects that 6.3% of total services and 9.5% of inpatient services will be provided to self-pay patients, 44.4% of total services and 34.2% of acute care bed services to Medicare patients, and 13.6% of total services and 10.2% of acute care bed services to Medicaid patients.

On page 109, the applicant states that it provides charity care to both insured and uninsured patients, and to complete the table Charity care patients are based on the projected payor mix and then applied to total NH Wesley Chapel facility patients.

On page 108, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

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

Conclusion – The Agency reviewed the:

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

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

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

C – All Applications

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

In Section L, page 107, the applicant adequately describes the range of means by which patients will have access to the proposed services.

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

In Section L, pages 107-108, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the tables below.

Novant Health Wesley Chapel Medical Center	
Facility	
01/01/2032 to 12/31/2032	
Payor Source	Percentage of Total Patients Served
Self-Pay	9.3%
Medicare*	34.9%
Medicaid*	10.4%
Insurance*	43.1%
Other^	2.4%
Total	100.0%

Source: Section L, page 107

*Includes any managed care plans.

^ Other includes Other Govt, Institutional, Workers Comp

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 9.3% of services at NH Wesley Chapel Medical Center will be provided to self-pay patients, 34.9% to Medicare patients and 10.4% to Medicaid patients.

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Novant Health Wesley Chapel Medical Center	
Inpatient Services	
01/01/2032 to 12/31/2032	
Payor Source	Percentage of Total Patients Served
Self-Pay	6.3%
Medicare*	44.4%
Medicaid*	13.6%
Insurance*	32.7%
Other^	3.0%
Total	100.0%

Source: Section L, page 107

*Includes any managed care plans.

^ Other includes Other Govt, Institutional, Workers Comp

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 6.3% of services at NHWCMC Inpatient services will be provided to self-pay patients, 44.4% to Medicare patients and 13.6% to Medicaid patients.

Novant Health Wesley Chapel Medical Center	
Outpatient Surgical Services	
01/01/2032 to 12/31/2032	
Payor Source	Percentage of Total Patients Served
Self-Pay	9.5%
Medicare*	34.2%
Medicaid*	10.2%
Insurance*	43.8%
Other^	2.3%
Total	100.0%

Source: Section L, page 107

*Includes any managed care plans.

^ Other includes Other Govt, Institutional, Workers Comp

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 9.5% of services at NHCWCMC outpatient surgical services will be provided to self-pay patients, 34.2% to Medicare patients and 10.2% to Medicaid patients.

Novant Health Wesley Chapel Medical Center	
Other Outpatient Services	
01/01/2032 to 12/31/2032	
Payor Source	Percentage of Total Patients Served
Self-Pay	9.5%
Medicare*	34.2%
Medicaid*	10.2%
Insurance*	43.8%
Other^	2.3%
Total	100.0%

Source: Section L, page 108

*Includes any managed care plans.

^ Other includes Other Govt, Institutional, Workers Comp

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 9.5% of services at NHCWCMC other outpatient services will be provided to self-pay patients, 34.2% to Medicare patients and 10.2% to Medicaid patients.

On page 108, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The payor mix is based on the CY 2024 payor mix of Novant Health Mint Hill and Novant Health Ballantyne patients originating from Union County.
- The projections reflect an anticipated shift of 2.0% of private insurance patients to Medicare in SFY2025 to reflect the anticipated aging of the population and resulting utilization patterns of acute care services.

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments

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

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

C – All Applications

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

The applicant proposes to develop 46 acute care beds at Atrium Health Union, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project and Project ID# F-12442-23.

In Section M, page 101, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes and provides supporting documentation in Exhibit M.1. The applicant adequately demonstrates that health professional training programs in the area will have access to the facility for training purposes based on the following:

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

The applicant proposes a change of scope (COS) and cost overrun (COR) for Project ID# F-12575-24 (develop 46 acute care beds) to develop 90 additional acute care beds at Atrium Health Union West, for a total of 184 acute care beds upon completion of this project and Project ID# F-12575-24.

The application for Project ID# F-12575-24 was found conforming to this criterion and no changes are proposed in this application which would affect that determination.

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

The applicant proposes to develop a new acute care hospital, Novant Health Wesley Chapel Medical Center (NHWCMC), with no more than 32 acute care beds pursuant to the 2025 SMFP need determination in Union County.

In Section M, page 112, the applicant describes the extent to which health professional training programs in the area will have access to the facility for training purposes and provides documentation of this in Exhibit M.1. The applicant adequately demonstrates that health professional training programs in the area will have access to the facility for training purposes based on the following:

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

Conclusion – The Agency reviewed the:

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

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

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

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

C – All Applications

The 2025 SMFP includes a need determination for 136 acute care beds in the Union County service area.

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

As of the date of this decision, there are 245 existing and approved acute care beds, allocated to one existing and approved hospital owned by Atrium Health in the Union County Service Area, as illustrated in the following table.

Union County Acute Care Hospital Campuses	
Facility	Existing/Approved Beds (Excl. Neonatal)
Atrium Health Union	186/59
Union County Total	186/59

Source: 2026 LRA

* Atrium Health Union is currently licensed for 186 acute care beds, excluding neonatal beds, including those at both Atrium Health Union (138/13) and Atrium Health Union-West (48/46).

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

The applicant proposes to develop 46 acute care beds at Atrium Health Union, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project and Project ID# F-12442-23.

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

“The proposed project is expected to enhance competition in the service area by promoting cost effectiveness, quality, and access to acute care services.”

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

“Through the proposed additional acute care beds at Atrium Health Union, CMHA will foster competition in the region by pursuing an approach that balances expending capital with developing needed capacity to meet patient demand for additional, high quality acute care services.”

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

Regarding the impact of the proposal on quality, in Section N, pages 103-105, the applicant states,

“[Atrium] believes that the proposed project will promote safety and quality in the delivery of healthcare services by expanding access to the high-quality services it provides at Atrium Health Union...”

.... The proposed project will allow Atrium Health Union to expand its acute care capacity, which in turn will allow Atrium Health Union to better meet patient needs and expectations – thus increasing overall quality and patient satisfaction and promoting competition for quality care in the region.”

See also Section O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 105, the applicant states,

“The proposed project is designed to expand and improve access to all patients, including the medically underserved...”

... CMHA has long-promoted economic access to its services as it historically has provided services to all persons in need of medical care, regardless of race, color, religion, national origin, age, sex, sexual orientation, gender identity, gender expression, disability or source of payment as demonstrated in CMHA’s Non-Discrimination policies...”

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

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

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

- 3) Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

The applicant proposes a change of scope (COS) and cost overrun (COR) for Project ID# F-12575-24 (develop 46 acute care beds) to develop 90 additional acute care beds at Atrium Health Union West, for a total of 184 acute care beds upon completion of this project and Project ID# F-12575-24.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 111, the applicant states:

“The proposed expansion will strengthen competition by enabling Atrium Health Union West to both expand its acute care service offerings and further develop existing services, providing patients with increased access to a more comprehensive range of care. This will improve Atrium Health Union West’s ability to effectively compete with other providers serving Union County residents, who frequently choose from multiple providers for their acute care needs.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 111, the applicant states,

“The proposed project is indicative of CMHA’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. Further, Atrium Health Union West, as a part of the larger CMHA and Advocate system, benefits from significant cost savings measures through the consolidation of multiple services and large economies of scale.”

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

Regarding the impact of the proposal on quality, in Section N, page 112, the applicant the applicant states,

“CMHA is dedicated to providing the highest quality care and is continually recognized locally and nationally for its commitment to delivering efficient, quality care. Each year, CMHA facilities are recognized by many of the top accrediting and ranking organizations in the industry. Atrium Health Union West, which opened in February 2022, along with Atrium Health Union (which shares the same license), have been recognized by various organizations for providing high quality care.”

See also Section O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 113, the applicant states,

“CMHA has long-promoted economic access to its services as it historically has provided services to all persons in need of medical care, regardless of race, color, religion, national origin, age, sex, sexual orientation, gender identity, gender expression, disability or source of payment.”

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

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

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

Conclusion – The Agency reviewed the:

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

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

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

The applicant proposes to develop a new acute care hospital, Novant Health Wesley Chapel Medical Center (NHWCMC), with no more than 32 acute care beds pursuant to the 2025 SMFP need determination in Union County.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 113, the applicant states:

“Novant Health will introduce meaningful competition that expands patient choice, stimulates quality improvement, and fosters a more balanced and cost-effective delivery system. The project will ensure that Union County residents have access to the same high-quality care closer to home, reducing outmigration and improving the overall responsiveness of the region’s healthcare market.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 114, the applicant states:

“The hospital will be cost-effective for physicians performing surgical and non-surgical procedures and attending medical patients. They will not have to navigate a large, congested hospital and will be better able to schedule block time and avoid being bumped by unscheduled procedures. By having hospitalists, intensivists, and telemedicine access to specialists, Novant Health will increase the efficiency of on-site physicians and improve their ability to have continuity of care, which reduces the total cost of care.”

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

Regarding the impact of the proposal on quality, in Section N, page 116, the applicant states:

“Novant Health is committed to delivering high-quality care at all of its facilities. Novant Health has quality-related policies and procedures that will be applicable to NH Wesley Chapel. NH Wesley Chapel will participate in Novant Health’s Performance Improvement Philosophy. Novant Health leaders embrace a philosophy for organizational performance improvement based on the work of Drs. Deming, Langley, and Nolan. The model is based on the theory that improvement comes from applying knowledge, and it is used to test and implement ideas for change at the process and system levels.”

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

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 117, the applicant states:

“...Novant Health will continue to have a policy to provide services to all patients regardless of income, racial/ethnic origin, gender, physical or mental conditions, age, ability to pay, or any other factor that would classify a patient as underserved. Novant Health’s financial assistance policy will apply to the proposed services.”

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

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

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

Conclusion – The Agency reviewed the:

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

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

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

C – All Applications

Project ID# F-12701-25 Atrium Health Union/ Develop 46 acute care beds

The applicant proposes to develop 46 acute care beds at Atrium Health Union, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project and Project ID# F-12442-23.

On Form O in Section Q, the applicant identifies the hospitals located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identified a total of 25 hospitals in North Carolina.

In Section O, page 110, the applicant states that during the 18 months immediately preceding the submittal of the application, there were no incidents resulting in a finding of Immediate Jeopardy at any of the hospitals affiliated with Atrium.

According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, there were no incidents related to quality of care at Atrium Health 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 25 hospitals, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID# F-12707-25 Atrium Health Union West/ Develop 90 acute care beds

The applicant proposes a change of scope (COS) and cost overrun (COR) for Project ID# F-12575-24 (develop 46 acute care beds) to develop 90 additional acute care beds at Atrium Health Union West, for a total of 184 acute care beds upon completion of this project and Project ID# F-12575-24.

On Form O in Section Q, the applicant identifies the hospitals located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identified a total of 25 hospitals in North Carolina.

In Section O, page 118, the applicant states that during the 18 months immediately preceding the submittal of the application, there were no incidents resulting in a finding of Immediate Jeopardy at any of the hospitals affiliated with Atrium.

According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, there were no incidents related to quality of care at any Atrium Health 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 25 hospitals, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.)

Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/ Develop a new 32 bed acute care hospital

The applicant proposes to develop a new acute care hospital, Novant Health Wesley Chapel Medical Center (NHWCMC), with no more than 32 acute care beds pursuant to the 2025 SMFP need determination in Union County.

On Form O in Section Q, the applicant identifies hospitals located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identified 20 existing and approved hospitals in North Carolina.

In Section O, page 120, the applicant states that during the 18 months immediately preceding the submittal of the application, there were no incidents that resulted in a finding of immediate jeopardy at any of its hospitals.

According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, there were no incidents related to quality of care at any Novant Health 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 20 hospitals, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

(21) Repealed effective July 1, 1987.

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

C – All Applications

10A NCAC 14C .3803 PERFORMANCE STANDARDS

An applicant proposing to develop new acute care beds in a hospital pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period shall:

(1) document that it is a qualified applicant;

- C- **Atrium Health Union.** Atrium Health Union is an existing acute care hospital with existing acute care beds. In Section B, page 26, and Exhibit A.1, the applicant documents that it is a qualified applicant.

- C- **Atrium Health Union West.** Atrium Health Union West is an existing acute care hospital with existing acute care beds. In Section B, page 26, and Exhibit A.1, the applicant documents that it is a qualified applicant.

- C- **Novant Health Wesley Chapel Medical Center.** Novant Health Wesley Chapel Medical Center is a newly proposed acute care hospital with no existing acute care beds. In Section C, page 66, and Section B, page 23, the applicant documents that it is a qualified applicant.

(2) provide projected utilization of the existing, approved, and proposed acute care beds for the applicant hospital during each of the first three full fiscal years of operation following completion of the project;

- C- **Atrium Health Union.** Per the definition section in 10A NCAC 14C .3803(1) above, “applicant hospital” means the hospital where the applicant proposes to develop the new acute care beds. Therefore, the applicant hospital is AH Union. The applicant provides projected utilization of the existing, approved and proposed acute care beds for AH Union during each of the first three full fiscal years of operation following completion of the project as shown in the table below.

AH Union Acute Care Bed Projected Utilization			
	PY 1 (CY 2030)	PY 2 (CY 2031)	PY 3 (CY 2032)
# of Beds	197	197	197
# of Discharges	10,022	10,251	10,486
# of Acute Care Days	57,316	58,626	59,967
ALOS	5.7	5.7	5.7
Occupancy Rate	79.7%	81.5%	83.4%

Source: Section Q, Form C.1b, page 114

The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

- C- **Atrium Health Union West.** Per the definition section in 10A NCAC 14C .3803(1) above, “applicant hospital” means the hospital where the applicant proposes to develop the new acute care beds. Therefore, the applicant hospital is AH Union West. In Section Q, Form C.1b, the applicant provides projected utilization of the existing, approved and proposed acute care beds for AH Union West during each of the first three full fiscal years of operation following completion of the project as shown in the table below.

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AH Union West Acute Care Bed Projected Utilization			
	PY 1 (CY 2033)	PY 2 (CY 2034)	PY 3 (CY 2035)
# of Beds	184	184	184
# of Discharges	10,172	11,643	13,327
# of Acute Care Days	41,226	47,187	54,011
ALOS	4.1	4.1	4.1
Occupancy Rate	61.4%	70.3%	80.4%

Source: Section Q, Form C.1b, page 122

The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

- C- **Novant Health Wesley Chapel Medical Center.** The applicant provides projected utilization of the existing, approved and proposed acute care beds for NHCWCMC during each of the first three full fiscal years of operation following completion of the project as shown in the table below.

Novant Health Wesley Chapel Medical Center Acute Care Bed Projected Utilization			
	PY1 CY 2030	PY2 CY 2031	PY3 CY 2032
Total # of Beds	32	32	32
# of Discharges	1,129	1,797	2,888
# of Patient Days	3,388	5,390	8,664
Average Length of Stay	3.0	3.0	3.0
Occupancy Rate	29.0%	46.1%	74.2%

Source: Section Q, Form C.1b, page 123

The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

- (3) *project an occupancy rate of the existing, approved, and proposed acute care beds for the applicant hospital during the third full fiscal year of operation following completion of the project that equals or exceeds the target occupancy percentage;*

- C- **Atrium Health Union.** In Section Q, Form C.1b, the applicant projects an occupancy rate of 83.4% for the existing, approved and proposed acute care beds for AH Union during the third full fiscal year of operation following completion of the project which exceeds the target

occupancy percentage of 71.4% set forth in 10A NCAC 14C .3803. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

-C- Atrium Health Union West. The applicant’s projected occupancy rate of the existing, approved and proposed acute care beds for AH Union West for the third full fiscal year of operation following completion of the project is 80.4% which exceeds the target occupancy percentage of 78.0% set forth in 10A NCAC 14C .3803. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

-C- Novant Health Wesley Chapel Medical Center. The applicant’s projected occupancy rate of the existing, approved and proposed acute care beds for NHWCMC for the third full fiscal year of operation following completion of the project is 74.2% which exceeds the target occupancy percentage of 66.7% as set forth in 10A NCAC 14C .3803. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

(4) provide projected utilization of the existing, approved, and proposed acute care beds for the hospital system during each of the first three full fiscal years of operation following completion of the project;

-C- Atrium Health Union. Per the definition section in 10A NCAC 14C .3801(5), “hospital system” means all hospitals in the proposed service area owned or operated by the applicant or a related entity. The applicant is CMHA. The hospital system is also referred to as the Atrium Health System. The proposed service area is Union County. CMHA owns or operates two existing and approved hospitals in Union County: Atrium Health Union and Atrium Health Union West. The applicant provides projected utilization of the existing, approved and proposed acute care beds for the CMHA System during each of the first three full fiscal years of operation following completion of the project as illustrated in the table below. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

Union County – Atrium Total Patient Days			
	FY1 (CY 2030)	FY2 (CY 2031)	FY3 (CY 2032)
Atrium Health Union	57,316	58,626	59,967
Atrium Health West	27,492	31,468	36,018
Projected Total Patient Days	84,808	90,094	95,985
Atrium Health System – Union County Occupancy	69.8%	74.1%	79.0%

Source: Section Q, Form C Assumptions and Methodology, page 123

-C- Atrium Health Union West. Per the definition section in 10A NCAC 14C .3801(5), “hospital system” means all hospitals in the proposed service area owned or operated by the

applicant or a related entity. The applicant is CMHA. The hospital system is also referred to as the Atrium Health System. The proposed service area is Union County. CMHA owns or operates two existing and approved hospitals in Union County: Atrium Health Union and Atrium Health Union West. The applicant provides projected utilization of the existing, approved and proposed acute care beds for the CMHA System during each of the first three full fiscal years of operation following completion of the project as illustrated in the table below. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

Atrium Health Union County Total Projected Patient Days			
	FY1 (CY 2033)	FY2 (CY 2034)	FY3 (CY 2035)
Atrium Health Union	61,338	62,740	64,175
Atrium Health West	41,226	47,187	54,011
Projected Total Patient Days	102,564	109,928	118,185
Atrium Health System – Union County Occupancy	73.8%	79.0%	85.0%

Source: Section Q, Form C Assumptions and Methodology, page 123

- C- **Novant Health Wesley Chapel Medical Center.** Novant Health Inc. does not own or operate hospitals in Union County. The applicant provides projected utilization of the proposed acute care beds for NH Wesley Chapel Medical Center during each of the first three full fiscal years of operation following completion of the project as illustrated in the table below. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

Novant Health Union County Total Projected Patient Days			
	FY1 (CY 2030)	FY2 (CY 2031)	FY3 (CY 2032)
Novant Health Wesley Chapel Medical Center	3,388	5,390	8,664
Projected Total Patient Days	3,388	5,390	8,664
Novant Health System – Union County Occupancy	29.0%	46.1%	74.2%

Source: Section Q, Form C.1b, page 123

- (5) *project an average occupancy rate of the existing, approved, and proposed acute care beds for the hospital system during the third full fiscal year of operation following completion of the project that equals or exceeds the target occupancy percentage of:*
 - (a) 66.7 percent if the ADC is less than 100;
 - (b) 71.4 percent if the ADC is 100 to 200;
 - (c) 75.2 percent if the ADC is 201 to 399; or
 - (d) 78.0 percent if the ADC is greater than 400; and
- C- **Atrium Health Union.** The applicant’s projected average occupancy rate of the existing, approved and proposed acute care beds for the CHMA System during the third full fiscal year of operation following completion of the project is 79.0% which exceeds the target occupancy rate of 78.0% set forth in 10A NCAC 14C .3803(5)(d). The discussion regarding

projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

- C- **Atrium Health Union West.** The applicant's projected average occupancy rate of the existing, approved and proposed acute care beds for the hospital system during the third full fiscal year of operation following completion of the project is 85% which exceeds the target occupancy rate of 71.4% set forth in 10A NCAC 14C .3803(5)(d). The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

- C- **Novant Health Wesley Chapel Medical Center.** The applicant's projected average occupancy rate of the proposed acute care beds for the Novant Health System during the third full fiscal year of operation following completion of the project is 74.2% which exceeds the target occupancy rate of 66.7% set forth in 10A NCAC 14C .3803(5)(d). The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

(6) provide the assumptions and methodology used to project the utilization and occupancy rates required in Items (2), (3), (4), and (5) of this Rule.

- C- **Atrium Health Union.** See Section Q for the applicant's assumptions and methodology used to project utilization and occupancy rates. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

- C- **Atrium Health Union West.** See Section Q for the applicant's assumptions and methodology used to project utilization and occupancy rates. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

- C- **Novant Health Wesley Chapel Medical Center.** See Section Q for the applicant's data, assumptions, and methodology used to project utilization. The discussion regarding analysis of need and projected utilization found in Criterion (3) is incorporated herein by reference.

COMPARATIVE ANALYSIS

Pursuant to G.S. 131E-183(a)(1) and the 2025 SMFP, no more than 136 acute care beds may be approved for the Union County Service Area in this review. Because all applications in this review collectively propose to develop 168 additional acute care beds, all applications cannot be approved. Therefore, after considering all the information in each application and reviewing each application individually against all applicable statutory and regulatory review criteria, the Project Analyst conducted a comparative analysis of the proposals to decide which proposal should be approved.

Below is a brief description of each project included in this review.

- **Project ID# F-12701-25 Atrium Health Union/** Develop 46 acute care beds pursuant to the 2025 SMFP Need Determination
- **Project ID# F-12707-25 Atrium Health Union West/** Develop 90 acute care beds pursuant to the 2025 SMFP Need Determination
- **Project ID# F-12717-25 Novant Health Wesley Chapel Medical Center/** Develop a new 32 bed acute care hospital pursuant to the 2025 SMFP need determination

Conformity with Statutory and Regulatory Review Criteria

An application that is not conforming or conforming as conditioned with all applicable statutory and regulatory review criteria cannot be approved. All applications are conforming to all applicable statutory and regulatory review criteria. Therefore, regarding this comparative factor, all applications are equally effective alternatives.

Scope of Services

Generally, the application offering the greater scope of services is the more effective alternative with regard to this comparative factor.

The applications from **Atrium Health Union** and **Atrium Health Union West** involve existing acute care community hospitals which provide numerous types of medical services. The application from **Novant Health Wesley Chapel Medical Center** proposes to develop a 32-bed acute care community hospital offering medical and surgical inpatient and outpatient services, emergency services, obstetrical services, imaging, laboratory, pharmacy, and other ancillary services consistent with services provided at an acute care community hospital. Therefore, regarding this comparative factor, all applications are equally effective alternatives.

Geographic Accessibility (Location within the Service Area)

As of the date of this decision, there are 245 existing and approved acute care beds, allocated to one existing and approved hospital owned by Atrium Health in the Union County Service Area, as illustrated in the following table.

Union County Acute Care Hospital Campuses	
Facility	Existing/Approved Beds (Excl. Neonatal)
Atrium Health Union	186/59
Union County Total	186/59

Source: 2026 LRA

* Atrium Health Union is currently licensed for 186 acute care beds, excluding neonatal beds, including those at both Atrium Health Union (138/13) and Atrium Health Union-West (48/46).

The following table illustrates where in the service area the existing and approved acute care beds are or will be located by health system.

City	System	Total Acute Care Bed Inventory*
Monroe	Atrium	138/13
Matthews	Atrium	48/46
Total Union County		186/59

*Existing and approved acute care beds combined

As shown in the table above, the existing and approved acute care beds are in Monroe and Matthews. **Atrium Health Union** proposes to develop 46 acute care beds to an existing facility in Monroe, **Atrium Health Union West** proposes to develop 90 acute care beds to an existing facility in Matthews. **Novant Health Wesley Chapel Medical Center** proposes to develop a new acute care hospital with no more than 32 acute care beds in Monroe, the same location in which Atrium Health Union is established. Therefore, with regard to geographic accessibility, all of the applications are equally effective alternatives.

Competition (Access to a New or Alternate Provider)

The following table illustrates the existing and approved providers located in the service area. Generally, the introduction of a new provider in the service area would be the most effective alternative based on the assumption that increased patient choice would encourage all providers in the service area to improve quality or lower costs in order to compete for patients. However, the expansion of an existing provider that currently controls fewer acute care beds than another provider would also presumably encourage all providers in the service area to improve quality or lower costs in order to compete for patients.

As of the date of this decision, there are 245 existing and approved acute care beds located in the Union County service area as illustrated in the following table.

Union County Acute Care Hospital Campuses	
Facility	Existing*/Approved Beds**
AH Union	138/13
AH Union West	48/46
Union County Total	186/59

*2026 LRA renewal application

**2026 SMFP, Table 5A, page 45

Atrium Health Union and **Atrium Health Union West** are affiliated with Atrium Health which controls all of the acute care beds in Union County.

If **Atrium Health Union**'s application is approved, Atrium Health would control 197 of the 381 existing and approved acute care beds in Union County, or 51.7%.

If **Atrium Health Union West**'s application is approved, Atrium Health would control 184 of the 381 existing and approved acute care beds in Union County, or 48.3%.

If **Atrium Health Union** and **Atrium Health Union West**'s applications are both approved, Atrium Health would control 381 of the 381 existing and approved acute care beds in Union County, or 100.0%.

If **Novant Health Wesley Chapel Medical Center**'s application is approved, Novant Health would control 32 of the 381 existing and approved acute care beds in Union County, or 8.3%.

Regardless of the ultimate conclusion of this comparative analysis, Atrium Health will control the largest percentage of acute care beds in Union County.

Therefore, with regard to patient access to a new or alternate provider, the application submitted by **Novant Health Wesley Chapel Medical Center** is the more effective alternative, and the applications submitted by **Atrium Health Union** and **Atrium Health Union West** are the less effective alternatives.

Access by Service Area Residents

The 2025 SMFP defines the service area for acute care beds as "... *the single or multicounty grouping shown in Figure 5.1.*" Figure 5.1, on page 38, shows Union County as a single acute care bed service area. Thus, the service area for these facilities is Union County. Facilities may also serve residents of counties not included in their service area. Generally, regarding this comparative factor, the application projecting to serve the largest number of service area residents is the more effective alternative based on the assumption that residents of a service area should be able to derive a benefit from a need determination for additional acute care beds in the service area where they live.

The following table illustrates access to acute care inpatient services by service area residents during the third full fiscal year following project completion.

Projected Service to Union County Residents – FY 3	
(Acute Care Beds)	
Applicant	# Union Residents
AH Union	101,118
AH Union West	7,889
NH Wesley Chapel	2,599

Sources: Project ID #F-12701-25 p.43, Project ID #F-12707-25 p.43, and Project ID #F-12717-25 p.45

As shown in the table above, **Atrium Health Union** projects to serve the highest number of Union County residents. Considering the discussion above, **Atrium Health Union** is the most effective alternative.

Access by Underserved Groups

Underserved groups are defined in G.S. 131E-183(a)(13) as follows:

“Medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and ... persons [with disabilities], which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority.”

For access by underserved groups, applications are compared with respect to two underserved groups: Medicare patients and Medicaid patients. Access by each group is treated as a separate factor.

Projected Medicaid

The following table compares projected access by Medicaid patients in the third full fiscal year following project completion for each facility. Generally, the application projecting to serve a larger percentage of Medicaid patients is the more effective alternative for this comparative factor.

Projected Medicaid Revenue – 3rd Full FY			
Applicant Facility	Total Medicaid Revenue	Average Medicaid	% of
	Acute Care Beds	Revenue/Patient Discharge	Gross Revenue
AH Union	\$63,334,187	\$3,269	21%
AH Union West	\$63,470,842	\$5,656	17%
NH Wesley Chapel	\$14,498,705	\$5,020	12%

Sources: Forms C.1b and F.2b for each applicant

As shown in the table above, **Atrium Health Union West** projects the highest total Medicaid revenue and the highest percent of Medicaid revenue as a percentage of gross revenue. **Atrium Health Union** projects the highest average Medicaid revenue per patient. Generally, the application projecting to provide the most revenue to Medicaid patients is the more effective alternative for this comparative factor. However, **Novant Health’s** application pro-formas are not structured the same way as Atrium Health’s application pro-formas. In the assumptions and methodology for Form F.2, **Novant Health Wesley Chapel Medical Center** states the acute care gross charges include nursing units, inpatient surgery revenue, ED services provided to an admitted patient, imaging, obstetrics/newborn revenues, and all ancillary services. In the assumptions and methodology for Forms F.2 and F.3, **Atrium Health Union and Atrium Health Union West** state the gross revenue includes acute care bed charges and expenses only and does not include any ancillary services or surgical services that an inpatient receives. Therefore, the result of this analysis is inconclusive.

Projected Medicare

The following table compares projected access by Medicare patients in the third full fiscal year following project completion for each facility. Generally, the application projecting to serve a larger percentage of Medicare patients is the more effective alternative for this comparative factor.

Projected Medicare Revenue – 3 rd Full FY			
Applicant Facility	Total Medicaid Revenue Acute Care Beds	Average Medicaid Revenue/Patient Discharge	% of Gross Revenue
AH Union	\$155,279,483	\$13,838	51%
AH Union West	\$154,822,933	\$11,705	43%
NH Wesley Chapel	\$57,640,923	\$19,958	48%

Sources: Forms C.1b and F.2b for each applicant

As shown in the table above, **Atrium Health Union** projects to have the highest total amount of Medicare revenue and the highest average Medicare revenue per patient. **Novant Health Wesley Chapel Medical Center** projects to have the highest percentage of Medicare revenue as a percentage of gross revenue. Generally, the application projecting to provide the most revenue to Medicare patients is the more effective alternative for this comparative factor.

However, **Novant Health’s** application pro-formas are not structured the same way as Atrium Health’s application pro-formas. In the assumptions and methodology for Form F.2, **Novant Health Wesley Chapel Medical Center** states the acute care gross charges include nursing units, inpatient surgery revenue, ED services provided to an admitted patient, imaging, obstetrics/newborn revenues, and all ancillary services. In the assumptions and methodology for Forms F.2 and F.3, **Atrium Health Union** states the gross revenue includes acute care bed charges and expenses only and does not include any ancillary services or surgical services that an inpatient receives. Therefore, the result of this analysis is inconclusive.

Projected Average Net Revenue per Patient

The following table compares projected average net revenue per admission/discharge for acute care inpatient services in the third full fiscal year following project completion for each facility. Generally, regarding this factor, the application proposing the lowest average net revenue per patient admission/discharge is the more effective alternative since a lower average may indicate a lower cost to the patient or third-party payor.

Average Net Revenue for Acute Care Inpatient Services per Patient Admission/Discharge 3 rd Full FY			
Applicant Facility	Total # Admissions/ Discharges	Net Revenue	Average Net Revenue per Admission/Discharge
AH Union	10,486	\$73,722,213	\$7,030
AH Union West	13,327	\$98,083,545	\$7,360
NH Wesley Chapel	2,888	\$35,643,847	\$12,342

Source: Forms C.1b and F.2b for each applicant

As shown in the table above, **Atrium Health Union** projects to have the lowest average net revenue per patient.

However, **Novant Health Wesley Chapel Medical Center** pro-formas are not structured the same way as those from **Atrium Health Union** and **Atrium Health Union West**. In the assumptions and methodology for Form F.2, **Novant Health Wesley Chapel Medical Center** state the acute care gross charges include nursing units, inpatient surgery revenue, ED services provided to an admitted patient, imaging, obstetrics/newborn revenues, and all ancillary services. In the assumptions and methodology for Forms F.2 and F.3, **Atrium Health Union** and **Atrium Health Union West** state their gross revenues include acute care bed charges and expenses only and does not include any ancillary services or surgical services that an inpatient receives. Therefore, the result of this analysis is inconclusive.

Projected Average Operating Expense per Patient

The following table compares projected average operating expense per acute care inpatient services admission/discharge in the third full fiscal year following project completion for each facility. Generally, regarding this factor, the application proposing the lowest average operating expense per admission/discharge is the more effective alternative since a lower average may indicate a lower cost to the patient or third-party payor or a more cost-effective service.

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Average Operating Expense per Patient Admission/Discharge for Acute Care Inpatient Services 3rd Full FY			
Applicant Facility	Total # of Admissions/Discharges	Operating Expenses	Average Operating Expense per Patient Admission/Discharge
AH Union	10,486	\$83,687,643	\$7,980
AH Union West	13,327	\$88,819,263	\$6,665
NH Wesley Chapel	2,888	\$27,532,595	\$9,533

Source: Forms C.1b and F.2b for each applicant

As shown in the table above, **Atrium Health Union West** projects the lowest average operating expense per patient.

However, **Novant Health Wesley Chapel Medical Center** pro-formas are not structured the same way as those from **Atrium Health Union** and **Atrium Health Union West**. In the assumptions and methodology for Form F.3, **Novant Health Wesley Chapel Medical Center** states the acute care operating expenses include costs for support staff salaries, fees for other departments, and costs for ancillary and support services. **Atrium Health Union** and **Atrium Health Union West's** applications do not state whether costs for ancillary and support services are included in the projected operating expenses. **Atrium Health Union** and **Atrium Health Union West's** applications project salary expenses only for staff identified in Form H. Therefore, the result of this analysis is inconclusive.

SUMMARY

The following table lists the comparative factors and indicates which application is the more effective alternative with regard to that particular comparative factor. The comparative factors are listed in the same order they are discussed in the Comparative Analysis, which should not be construed to indicate an order of importance.

Comparative Factor	AHU	AHUW	NHWCMC
Conformity with Statutory and Regulatory Review Criteria	Equally Effective	Equally Effective	Equally Effective
Scope of Services	Equally Effective	Equally Effective	Equally Effective
Geographic Accessibility (Location within the Service Area)	Equally Effective	Equally Effective	Equally Effective
Competition (Access to a New or Alternate Provider)	Less Effective	Less Effective	More Effective
Access by Service Area Residents	More Effective	Less Effective	Less Effective
Access by Medicaid Patients	Inconclusive	Inconclusive	Inconclusive
Access by Medicare Patients	Inconclusive	Inconclusive	Inconclusive
Projected Average Net Revenue per Patient	Inconclusive	Inconclusive	Inconclusive
Projected Average Operating Expense per Patient	Inconclusive	Inconclusive	Inconclusive

- With respect to Conformity with Review Criteria, **Atrium Health Union, Atrium Health Union West** and **Novant Health Wesley Chapel Medical Center** offer equally effective alternatives. See Comparative Analysis for discussion.
- With respect to Scope of Services, **Atrium Health Union, Atrium Health Union West** and **Novant Health Wesley Chapel Medical Center** offer equally effective alternatives. See Comparative Analysis for discussion.
- With respect to Geographic Accessibility, **Atrium Health Union, Atrium Health Union West** and **Novant Health Wesley Chapel Medical Center** offer equally effective alternatives. See Comparative Analysis for discussion.
- With respect to Competition/Access to a New or Alternate Provider, **Novant Health Wesley Chapel Medical Center** offers the more effective alternative and **Atrium Health Union, and Atrium Health Union West** offer less effective alternatives. See Comparative Analysis for discussion.
- With respect to Access by Service Area Residents, **Atrium Health Union** offers the more effective alternative and, **Atrium Health Union West** and **Novant Health Wesley Chapel Medical Center** offer less effective alternatives. See Comparative Analysis for discussion.

Conclusion

G.S. 131E-183(a)(1) states that the need determination in the SMFP is the determinative limit on the number of acute care beds that can be approved by the Healthcare Planning and Certificate of Need Section. Approval of all applications submitted during this review would result in acute care beds in excess of the need determination for the Union County service area. All applications submitted for acute care beds in the review are conforming to all applicable statutory and regulatory review criteria and are approvable standing alone. However, collectively they propose 168 acute care beds while the need determination is for 136 acute care beds, therefore only 136 acute care beds can be approved.

As discussed above, **Atrium Health Union** was determined to be a more effective alternative for the following factors:

- Access by Service Area Residents

As discussed above, **Novant Health Wesley Chapel Center** was determined to be a more effective alternative for the following factors:

- Competition (Access to a New or Alternate Provider)

Based upon the independent review of each application and the Comparative Analysis, with regard to acute care beds, the applications submitted by **Atrium Health Union** and **Novant Health Wesley Chapel Medical Center** are comparatively superior and are approved as submitted.

The application submitted by **Atrium Health Union West** is not comparatively superior but is conforming with all applicable statutory and regulatory review criteria and therefore can be approved. However, it is not possible to award all applicants the number of beds they seek. The acute care bed need determination in the 2025 SMFP is for 136 acute care beds.

Based on that analysis, the beds will be awarded in proportion to the number of beds requested by each applicant to the total number of beds requested in the review. See table below for the summary of calculations.

Facility	# of Beds Requested	% of Total Beds Requested in Review	# of Beds Available	# of Beds Awarded
AH Union	46	34% (46 of 136)	136	34% (46 of 136)
AH Union West	90	66% (90 of 136)	136	43% (58 of 136)
NH Wesley Chapel	32	23% (32 of 136)	136	23% (32 of 136)
Total	136	123%		136

Therefore, based upon the independent review of each application and the Comparative Analysis, the following applications are conditionally approved as submitted in the descriptions below:

Project ID #F-12701-25/ Atrium Health Union / Develop no more than 46 acute care beds pursuant to the need determination in the 2025 SMFP for a total of no more than for a total of 197 acute care beds, excluding neonatal beds, upon completion of this project and Project# F-12442-23 (develop 13 acute care beds).

Project ID #F-12717-25/ Novant Health Wesley Chapel Medical Center / Develop no more than 32 acute care beds pursuant to the need determination in the 2025 SMFP for a total of no more than 32 acute care beds upon completion of this project.

And the following applications are approved as modified in the descriptions below:

Project ID# F-12707-25/ Atrium Health Union West / Develop no more than 58 acute care beds pursuant to the need determination in the 2025 SMFP for a total of no more than 184 acute care beds upon completion of this project and Project ID# F-12575-24 (develop 46 acute care beds)

Project ID #F-12701-25 is approved subject to the following conditions.

1. **The Charlotte Mecklenburg Hospital Authority (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
2. **The certificate holder shall develop no more than 46 acute care beds at Atrium Health Union pursuant to the need determination in the 2025 SMFP for a total of no more than for a total of 197 acute care beds upon completion of this project and Project ID# F-12442-23, (develop 13 acute care beds).**
3. **Upon completion of the project, Atrium Health Union shall be licensed for no more than 197 acute care beds, excluding neonatal beds.**
4. **Progress Reports:**
 - a. **Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. **The certificate holder shall complete all sections of the Progress Report form.**
 - c. **The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. **The first progress report shall be due on October 1, 2026.**
5. **The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
6. **The certificate holder shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.**
7. **The certificate holder shall develop and implement strategies to provide culturally competent services to members of its defined medically underserved community that are consistent with representations made in the certificate of need application.**
8. **The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**

Project ID #F-12707-25 is approved subject to the following conditions.

1. **The Charlotte Mecklenburg Hospital Authority (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
2. **The certificate holder shall develop no more than 58 acute care beds at Atrium Health Union West pursuant to the need determination in the 2025 SMFP for a total of no more than 184 acute care beds upon completion of this project and Project ID# F-12575-24 (develop 46 acute care beds).**
3. **Upon completion of the project, Atrium Health Union West shall be licensed for no more than 184 acute care beds.**
4. **Progress Reports:**
 - a. **Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. **The certificate holder shall complete all sections of the Progress Report form.**
 - c. **The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. **The first progress report shall be due on October 1, 2026 .**
5. **The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
6. **The certificate holder shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.**
7. **The certificate holder shall develop and implement strategies to provide culturally competent services to members of its defined medically underserved community that are consistent with representations made in the certificate of need application.**
8. **The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**

Project ID #F-12717-25 is approved subject to the following conditions.

1. **Novant Health Wesley Chapel Medical Center, LLC, and Novant Health, Inc. (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
2. **The certificate holder shall develop no more than 32 acute care beds at Novant Health Wesley Chapel Medical Center pursuant to the need determination in the 2025 SMFP for a total of no more than 32 acute care beds upon completion of this project.**
3. **The certificate holder shall relocate one operating room (OR) from Presbyterian SameDay Surgery Center-Monroe to Novant Health Wesley Chapel Medical Center.**
4. **Upon the completion of this project, the applicant shall take the necessary steps to decertify one (1) ORs from SameDay Surgery Center-Monroe for a total of zero licensed ORs at SameDay Surgery Center-Monroe.**
5. **Upon completion of the project, Novant Health Wesley Chapel Medical Center shall be licensed for no more than 32 acute care beds, and one shared OR and one dedicated C-Section OR.**
6. **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 October 1, 2026.**
7. **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.**
8. **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.**
9. **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.**

- 10. 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.**

- 11. 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.**