

**Acute Care Committee Agency Report
Petition to Remove the Need Determination for
Acute Care Beds in the Pender County Service Area
in the 2026 State Medical Facilities Plan**

Petitioner:

Pender Memorial Hospital d/b/a Novant Health Pender Medical Center
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Contact:

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Request:

The Novant Health Pender Medical Center (“NH Pender”) seeks to remove the acute care need determination for the Pender County service area in the *Proposed 2026 State Medical Facilities Plan* (SMFP or “Plan”).

Background Information:

Chapter Two of the SMFP notes that during the summer, the Agency accepts petitions that “involve requests for adjustments to need determinations in the *Proposed SMFP*. Petitioners may submit a written petition requesting an adjustment to the need determination in the *Proposed SMFP* if they believe that special attributes of a service area or institution give rise to resource requirements that differ from those provided by the standard methodologies and policies.” Any person may submit a certificate of need (CON) application for a need determination in the *Plan*. The CON review could be competitive and there is no guarantee that the Petitioner would be the approved applicant.

Acute bed days of care (DOC) play a critical role in determining acute care bed need. Hospitals report DOC data in two ways: through the annual Hospital License Renewal Applications (LRAs) and to the statewide data processor, the Hospital Industry Data Institute (HIDI). However, Only the data submitted to HIDI are used in the methodology calculations. If the DOC reported to HIDI differs from what is reported on the LRA by more than $\pm 5\%$, providers are notified and strongly encouraged to resubmit corrected data to reduce its discrepancies. However, there are timing challenges. Because the Proposed Plan is published by July 1, the Agency cannot incorporate revised HIDI data received in August into that version of the Plan. Also, Petitions are usually due in late July which means that the Agency does not know the impact of revised DOC from HIDI on need determinations. Agency staff informed the Petitioner about these challenges, and it chose to submit this Petition to ensure the Pender County acute care bed need determination would be removed.

NH Pender, a critical access hospital, is the only hospital in the Pender County service area. It operates 43 licensed acute care beds, 25 of which are also swing beds.

Analysis/Implications:

Due to the impacts of the COVID-19 pandemic on utilization trends, the State Health Coordinating Council (SHCC) approved the use of pre-pandemic DOC for the five reporting years preceding the pandemic (2015 – 2019) to calculate the Growth Rate Multipliers (GRMs) in the 2023 and 2024 SMFPs. NH Pender disclosed in its 2024 Summer Petition that it had submitted incorrect HIDI data for the 2021, 2022 and 2023 data reporting years. However, since those years were not used in the GRM calculations in the 2023 and 2024 SMFPs, the erroneous submissions had no impact on Pender County’s need determination calculations in those two SMFPs. However, the *Proposed 2025 SMFP* included the SHCC’s decision to return to the pre-pandemic methodology, using the most recent five reporting years to calculate the GRM. This approach continues in the *Proposed 2026 SMFP* which uses 2020-2024 DOC for GRM calculations. As a result, the original erroneous data submissions led to inflated need determinations in the drafts of both SMFPs.

Table 1 shows that for the 2021 – 2024 data years, NH Pender reported DOC to HIDI that greatly exceeded both its previous HIDI reports and previous LRA reports. According to the Petitioner, the inaccurate data submissions and its failure to submit data revisions in 2021 and 2022 were due to staff turnover and miscommunication. As a result of the errors, the *Proposed 2025 SMFP* showed a need determination for Pender County. NH Pender submitted a 2024 Summer Petition to remove the need determination before the Agency received NH Pender’s revised data from HIDI. The subsequent application of NH Pender’s revised data in the methodology calculations eliminated the need determination. Thus, the State Health Coordinating Council considered approval of the Petition unnecessary. In the current Petition, NH Pender explains that that 2024 DOC data it originally submitted to HIDI included swing bed and nursing bed DOC. As a result, the *Proposed 2026 SMFP* shows a need determination for 605 acute care beds for Pender County.

Table 1: Acute Care Bed Days of Care Reports by NH Pender, Data Years 2016 – 2024

	Data Year								
	2016	2017*	2018	2019	2020	2021*	2022*	2023*	2024*
DOC Originally Reported to HIDI	1,873	1,470	1,394	1,276	772	11,372	4,214	4,750**	3,481**
DOC Reported on LRA	1,873	1,385	1,373	1,229	807	341	447	589	639
Skilled Nursing Days in Swing Beds Reported on LRA	1,330	1,960	1,765	2,957	3,338	4,570	3,674	4,133	3,215
% Discrepancy	0.0%	5.8%	1.5%	3.7%	-4.5%	97.0%	89.4%	87.6%	81.6%

* There was a greater than \pm 5% discrepancy between the DOC NH Pender reported to HIDI and the DOC reported on the hospital’s LRA.

** NH Pender submitted revised data to HIDI indicating 582 DOC for the 2023 data year. It also submitted revised data to HIDI indicating 705 DOC for the 2024 data year.

In response to Pender’s inflated need determination in 2026 *Proposed SMFP*, NH Pender revised its 2024 HIDI data to reflect 705 DOC, aligning with the hospital’s long-term downward trend in utilization. As shown in Table 2, when this corrected data is applied, the need determination for Pender County is eliminated. Rather, it shows a projected surplus of 36 acute care beds.

Table 2: Acute Care Bed Need Projection for Pender County with the Revised 2024 DOC

Facility Name	Licensed Acute Care Beds	Adj. for CONs /Previous Need	2024 Inpatient DOC	GRM	Projected Days of Care	2028 Projected Average Daily Census	2028 Beds Adjusted for Target Occupancy	Projected 2028 Deficit or Surplus (surplus shows as a "+")
NH Pender	43	0	705	1.2506	1,724	5	7	-36

Agency Recommendation:

The Petitioner seeks to remove the need determination for 605 acute care beds in the Pender County service area in the *2026 SMFP*. Given the available information and comments submitted by the August 6, 2025 deadline, and in consideration of factors discussed above, the Agency recommends denial of the petition – not due to disagreement with its merits, but because the need determination no longer exists.