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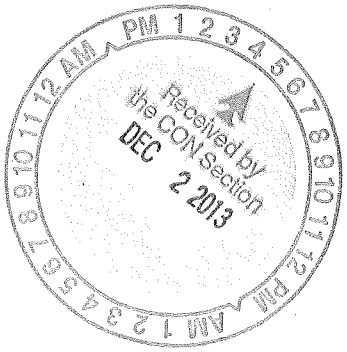


December 2, 2013

Mr. Craig R. Smith, Chief
Certificate of Need Section
North Carolina Department of Health and Human Services
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

Dear Mr. Smith:

In accordance with N.C. GEN. STAT. § 131E-185(a1)(1), Carolinas HealthCare System (CHS) submits the following comments related to applications to develop acute care beds identified in the *2013 State Medical Facilities Plan* (*SMFP*). CHS's comments include "discussion and argument regarding whether, in light of the material contained in the application and other relevant factual material, the application complies with the relevant review criteria, plans and standards" [N.C. GEN. STAT. § 131E-185(a1)(1)(c)]. As such, CHS's comments are organized by the general CON statutory review criteria and specific regulatory criteria and standards, as they relate to the following competing applications:

- **Novant Health Huntersville Medical Center (NHHMC), Project ID # F-10214-13**
- **The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center-Mercy (CMC-Mercy), Project ID # F-10215-13**
- **The Charlotte Mecklenburg Hospital Authority d/b/a Carolinas Medical Center-University (CMC-University), Project ID # F-10221-13**

Based on CHS's review of the applications, the applications submitted by CMC-Mercy and CMC-University represent the most effective alternative for the development of the 40 acute care beds identified in the *2013 SMFP*.

Please note that the attached comments are in no way intended to be comments opposing the Novant Health Matthews Medical Center (NHMMC), Project ID # F-10213-13, application to relocate acute care beds. CHS is only commenting on the NHMMC's projections insofar as they impact the NHHMC application's ability to meet the performance standard for new acute care beds and the statutory review criteria.

As demonstrated in detail in the attached comments, the NHHMC application is non-conforming with several review criteria and should not be approved. Of the applicants, CMC-Mercy and CMC-University propose the most effective alternatives. We appreciate your consideration of these comments.

Sincerely,

F. Del Murphy, Jr.
Senior Vice-President
CHS Management Company

Competitive Comments on Mecklenburg County Acute Care Bed Applications

submitted by

The Charlotte-Mecklenburg Hospital Authority
d/b/a Carolinas HealthCare System

In accordance with N.C. GEN. STAT. § 131E-185(a1)(1), The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System (CHS) submits the following comments related to competing applications to develop additional acute care beds in Mecklenburg County to meet a need identified in the *2013 State Medical Facilities Plan* (*SMFP*). CHS's comments include "*discussion and argument regarding whether, in light of the material contained in the application and other relevant factual material, the application complies with the relevant review criteria, plans and standards.*" *See* N.C. GEN. STAT. § 131E-185(a1)(1)(c). In order to facilitate the Agency's ease in reviewing the comments, CHS has organized its discussion by issue, specifically noting the general CON statutory review criteria and specific regulatory criteria and standards creating the non-conformity relative to each issue, as they relate to the following applications:

- **Novant Health Huntersville Medical Center (NHHMC), Project ID # F-10214-13**

- **Carolinas Medical Center-Mercy (CMC-Mercy), Project ID # F-10215-13**

- **Carolinas Medical Center-University (CMC-University), Project ID # F-10221-13**

GENERAL COMMENTS

Background Regarding Acute Care Beds in Mecklenburg County

Since 1994, four need determinations for additional acute care beds in Mecklenburg County have been identified. The table below details the four need determinations including the number of beds identified and the provider/facility awarded the CON.

SMFP	*Need Determination*	*CON Award*	
		Provider/Facility	*# of Beds*
2008	27	Novant Health/NHHMC*	15
		Novant Health/NHMMC**	12
2009	20	Novant Health/NHMMC**	20
2011	107	CHS/CMC	19
		CHS/CMC-Mercy	38
		Novant Health/NHCOH***	50
2013	40	TBD	TBD
		Total	***154***
		Total Novant Health	***97***
		Total CHS	***57***
		Total % Novant Health	***63%***
		Total % CHS	***37%***

*Novant Health Huntersville Medical Center
**Novant Health Matthews Medical Center
***Novant Health Charlotte Orthopaedic Hospital

Of the 154 beds that have been awarded since 1994, Novant Health has been awarded 97 or approximately 63 percent of the beds while CHS has been awarded 57 or approximately 37 percent of the beds.

In the current review, NHHMC proposes to develop 17 additional acute care beds while the complementary applications submitted by CHS propose to develop all 40 of the beds identified in the *2013 SMFP* (34 at CMC-Mercy and the remaining six at CMC-University). If CHS's complementary applications are approved, CHS will own and operate 97 (40 + 57) of the 194 approved beds in Mecklenburg County (154 beds since 1994 plus 40 beds at issue in the current review) or 50 percent of the approved beds in Mecklenburg County since 1994. Please note that as discussed later in these comments, CHS is not suggesting that the most effective competition would exist where the beds are split evenly between the providers. Rather, the current distribution of operational and

awarded beds, coupled with actual utilization of existing beds demonstrates the need for additional beds to be located at CHS facilities.

As noted in its complementary applications, CHS's proposals can be accomplished in a timely and resource-responsible manner as CMC-Mercy and CMC-University have the existing space necessary to accommodate the additional acute care beds without requiring new construction or extensive and cost-prohibitive renovations.

The Need for Additional Acute Care Beds in Mecklenburg County Exists Primarily in Center City Charlotte

As noted in these comments as well as CHS's complementary applications, the greatest deficits identified in Mecklenburg County in the *2013 SMFP* are predominantly in facilities located in the downtown, central Charlotte portion of the county. In fact, as reflected in the *2013 SMFP*, CMC has the single highest projected bed need of all of the acute care hospitals in Mecklenburg County in 2015, 142 beds. While CHS is not suggesting that an approvable proposal must be located where the facility need is identified in the *SMFP*, all applicants must, nonetheless demonstrate the need for the proposed services. However, NHHMC fails to present any analyses to address the deficits identified in the *2013 SMFP* at Novant Health's downtown facilities or to adequately support its proposal to locate beds at Huntersville (whose deficit in the *2013 SMFP* of 10 beds is not as high as the number of beds proposed in its application, 17). Absent any substantive analyses, NHHMC failed to demonstrate why locating the beds downtown was not an effective alternative.

In contrast, CHS has identified the highest priority need at CMC. In particular, as noted in its complementary applications, internal analysis identified growth in general medicine, the largest service line at CMC, as a primary driver of the need determination for 40 additional acute care beds. As discussed in detail in its complementary applications, CHS's proposals to add beds at CMC-Mercy and CMC-University will effectively add capacity at CMC by shifting patients to CMC-Mercy and CMC-University so that patients who can only be cared for at CMC have sufficient access.

CMC's Need and Important Role in the Healthcare Community

CHS's approach to easing capacity constraints at CMC recognizes the medical center's important role in the healthcare community as an academic medical center and a regional referral center for high acuity, specialty services. These higher level services, which are expected to continue to grow in the region, must be provided at CMC. By proactively decompressing lower acuity patients, CHS can

address the need for additional capacity at CMC. CMC is one of North Carolina's leading providers of care to the complex, high acuity patient. As the sole provider of quaternary care in Mecklenburg County and the surrounding region, it is imperative that CMC maintain sufficient capacity to care for its higher acuity patients.

In addition, CHS's concurrently filed applications, as well as the recent shift of CMC-Mercy to CMC's license, aligns with System strategy to operate CMC and CMC-Mercy as a single integrated unit and to more effectively manage center city resources. As a result of the license shift, CMC and CMC-Mercy are administratively aligned and have a consistent medical staff between the two facilities, which will serve to further support the shift of general medicine patients to CMC-Mercy.

Moreover, of note, as illustrated in the table below, despite the addition of 19 acute care beds pursuant to previously approved Project ID # F-8761-11 as well as a shift of patients to CMC-Pineville in conjunction with its Phase II expansion/renovation project (Project ID # F-7979-07), CMC continues to operate close to 90 percent occupancy on average.

CY	*Patient Days*	*ADC*	*Beds*	*Occupancy*
2010	254,772	698.0	795	87.8%
2011	255,773	700.7	795	88.1%
2012	260,098	712.6	795	89.6%
2013 Annualized*	259,158	710.0	814	87.2%
CAGR	**0.6%**	**NA**	**NA**	**NA**

*January 2013 to June 2013 days (129,579) annualized.
Source: CMC internal data used to prepare HLRAs.

Further, CMC serves the most acute patient population in Mecklenburg County as represented by case mix index, and its patients are getting sicker every year. As shown in the table on the following page, CMC has the highest total case mix index of any hospital in Mecklenburg County. Please note that, for the purposes of this analysis, Novant Health Presbyterian Medical Center (NHPMC) and Novant Health Charlotte Orthopaedic Hospital (NHCOH) have been combined. NHCOH is a specialty orthopedic hospital which has a high case mix due to intensity of resources required to treat inpatient orthopedic cases. It is unreasonable to compare NHCOH to other general acute care hospitals, given the breadth of patients that the latter treats. As such, NHPMC and NHCOH, which are co-located, have been combined in order to give a more complete picture of Novant Health's patient mix.

Facility	*2012 Total CMI*
CMC	2.01
NHPMC/NHCOH	1.76
CMC-Mercy	1.70
CMC-University	1.36
NHHMC	1.31
NHMMC	1.28

Source: Truven.

Of note, given the competitive applications in this review, CMC-Mercy and CMC-University both treat a sicker patient population than NHHMC. As such, higher acuity patients would benefit from the awarding of the beds to the CHS facilities.

In summary, CHS broadly, and CMC in particular, serve the most acute patients by far in the region and have higher utilization rates that Novant Health. Given these factors, it is clear that the two CHS projects are needed to the serve the population of Mecklenburg County.

NOVANT HEALTH HUNTERSVILLE MEDICAL CENTER (NHHMC)

NHHMC's application should not be approved as proposed. In summary, NHHMC's application failed to adequately demonstrate the need for its proposed project as its utilization projections are unreasonable.

CHS identified the following specific issues, each of which contributes to NHHMC's non-conformity:

(1) Unreasonable utilization projections and
(2) Failure to adequately demonstrate that the proposed project represents the least costly and/or most effective and reasonable alternative.

Each of the issues listed above are discussed in turn below. Please note that relative to each issue, CHS has identified the statutory review criteria and specific regulatory criteria and standards creating the non-conformity.

Unreasonable Utilization Projections

As detailed below, NHHMC's application includes unreasonable assumptions regarding the utilization at NHHMC as well as more broadly at all Novant Health hospitals in Mecklenburg County. Given these factors, NHHMC should be found non-conforming with Criterion 3 as well as with the applicable performance standard, 10A NCAC 14C .3803.

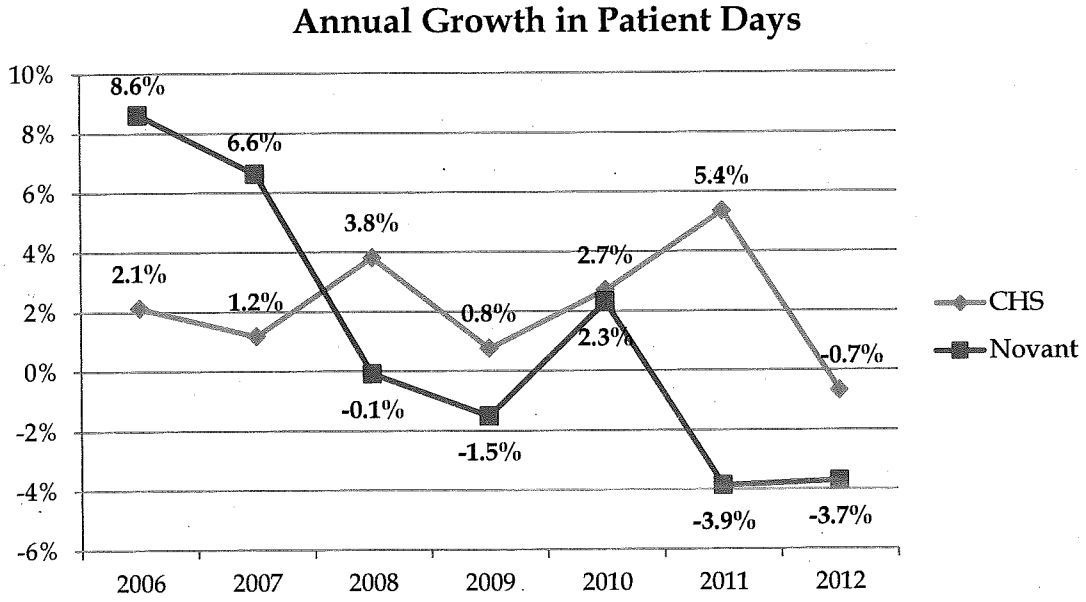
Since 2005,[1] CHS hospitals in Mecklenburg County have provided an increasing number of acute care days. As shown in chart below, total days at these CHS facilities have increased 2.17 percent annually. While Novant Health hospitals in Mecklenburg County have also provided an increasing number of acute care days, its growth has been substantially less than CHS since 2005. As shown in the table on the following page, total days at Novant Health hospitals have increased only 1.10 percent annually, or just over half of CHS's growth rate.

1 Please note that 2005 was the first full year of operation of Novant Health Huntersville Medical Center and thus this analysis compares volume for the same set of hospitals for each system over the 2005 to 2012 time period.

Total Patient Days for Mecklenburg County Facilities		
Year	*CHS*	*Novant Health*
2005	296,127	186,020
2006	302,445	202,061
2007	306,015	215,455
2008	317,687	215,281
2009	320,128	212,023
2010	328,810	216,939
2011	346,410	208,558
2012	344,089	200,835
CAGR	**2.17%**	**1.10%**

Source: *2007 to Proposed 2014 SMFPs*, available at http://www.ncdhhs.gov/dhsr/mfp/pdf/2013/shcc/0925_table5a.pdf (Revised September 18, 2013 [note: data for Mecklenburg County are the same as the revised September 13, 2013 data referenced in CHS's complementary applications]).

In fact, CHS's annual growth has exceeded Novant's in every year since 2008 as shown in the chart below. Moreover, in that same time period, Novant has only had one year (2010) where patient days at its Mecklenburg County hospitals increased over the prior year, and four years of negative growth.



Source: *2007 to Proposed 2014 SMFPs*, available at http://www.ncdhhs.gov/dhsr/mfp/pdf/2013/shcc/0925_table5a.pdf (Revised September 18, 2013).

Despite these historical trends, in its current application for new acute care beds at NHHMC, Novant Health projects that its volume will grow 2.93 percent annually through 2019. That expected growth is 2.66 times as much growth as it has experienced historically (2.93 percent projected growth for Novant Health ÷ 1.10 percent growth for Novant Health from 2005 to 2012 = 2.66x). Please see the table below for Novant Health's projected days.

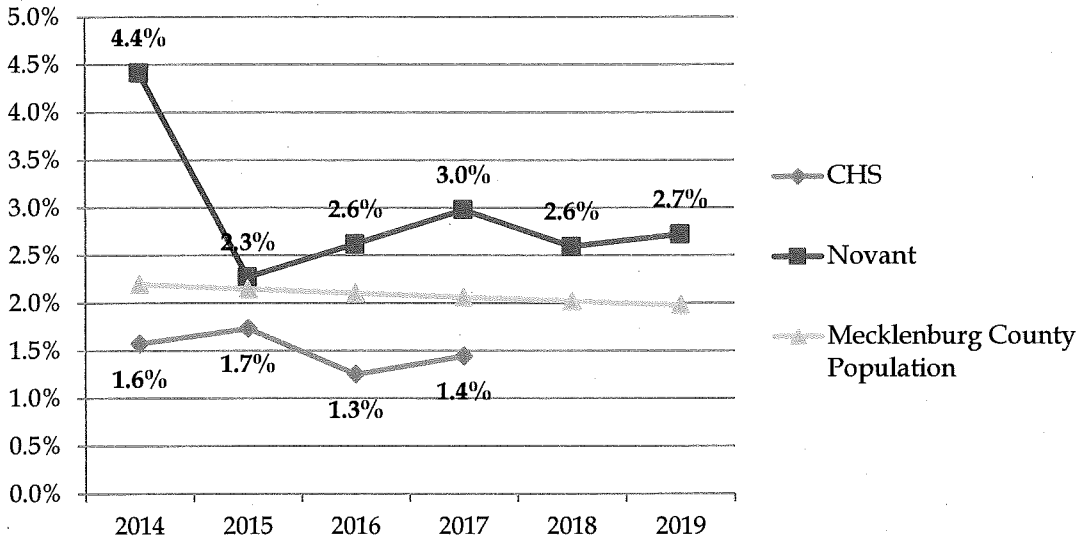
Year	*Novant Health Days*
2013	203,408
2014	212,388
2015	217,216
2016	222,906
2017	229,547
2018	235,503
2019	241,914
CAGR	**2.93%**
Historical CAGR	**1.10%**
Projected as Ratio of Historical	**2.66x**

Source: NHHMC Application, pages 183, 188, 190, 194, 195.

Since 2008, Novant Health's days have never grown more than 2.30 percent over the prior year. Moreover, Novant Health's average growth of 1.10 percent since 2005 is below the population growth of Mecklenburg County over that same time period. As such, it is simply unreasonable for Novant Health to project that its facilities in Mecklenburg County will grow 2.93 percent compounded annually for the next seven years.

CHS's complementary applications for new acute care beds assume an average of 1.5 percent growth annually through 2017 which is less than its historical rate and below the projected population growth for Mecklenburg County. By contrast, Novant Health's application contains higher growth rate assumptions than CHS's applications and expected Mecklenburg County population growth. Please see the chart on the following page for a comparison of these growth rates.

Projected Annual Growth in Patient Days



Source: Applications; NC OSBM.

Despite its aggressive assumptions, NHHMC's application projects that Novant Health facilities overall will only exceed the applicable performance standard (10A NCAC 14C .3803) by 646 days as shown below.

	PY3
Novant Health Days	241,914
Novant Health ADC	662.8
Novant Health Beds	879
Occupancy Rate	75.4%
Days Needed to Meet Performance Standard at 75.2%	241,268
Days in Excess of Performance Standard	**646**

In addition to these aggressive utilization assumptions, Novant Health projects an extended development schedule whereby NHHMC's application will not begin operation until January 1, 2017 or the start of the third year of operation for CMC-Mercy and CMC-University's projects. However, Novant Health failed to provide any explanation for its lengthy development schedule. Absent an explanation, the scope of Novant Health's project[2] does not justify its proposed lengthy development schedule which will serve to unreasonably delay bringing needed acute care beds online in Mecklenburg County.

Moreover, as shown below, NHHMC's application contains numerous unreasonable assumptions regarding its own utilization as well as that of its system hospitals, which if changed to more reasonable assumptions, would result in NHHMC's failure to meet the performance standard.

As detailed in the table below, Novant Health projects substantial growth at each of its facilities in an effort to demonstrate conformance with this performance standard in its NHHMC application.

CY	*NHHMC**	*NHMMC***	*NHPMC****	*NHCOH^*	*NHMHMC^^*	*Total Days*
2013	22,030	30,890	140,054	10,434	-	203,408
2014	23,152	36,287	142,515	10,434	-	212,388
2015	24,034	37,291	145,019	10,872	-	217,216
2016	24,949	37,836	147,568	12,553	-	222,906
2017	25,898	39,436	150,161	14,052	-	229,547
2018	26,884	40,540	152,800	15,279	-	235,503
2019	27,804	40,191	152,497	15,335	6,087	241,914
CAGR	**4.0%**	**4.5%**	**1.4%**	**6.6%**	**NA**	**2.9%**

Source: NHHMC Application, pages 183, 188, 190, 194, 195.
*Novant Health Huntersville Medical Center
**Novant Health Matthews Medical Center
***Novant Health Presbyterian Medical Center
^Novant Health Charlotte Orthopaedic Hospital
^^Novant Health Mint Hill Medical Center

[2] The scope of NHHMC's proposed project is relatively minor and does not involve new construction; rather the 17 beds will be developed in existing space currently occupied by unlicensed patient rooms and conference rooms. As noted on page 144 of its application, the conversion of 10 existing observation rooms to acute care inpatient rooms involves only the addition of new power to those rooms and does not involve any construction in those rooms. The remaining seven additional beds will be created by the renovation of existing conference rooms on the second and third floors of the medical center.

The projections for NHHMC, Novant Health Matthews Medical Center (NHMMC), and Novant Health Presbyterian Medical Center (NHPMC) are provided in detail in the application and exhibits and include several unreasonable and unsupported assumptions which are discussed in turn below.

- Novant Health Huntersville Medical Center (NHHMC)

  NHHMC assumes that total acute care days at its facility will increase 4.0 percent annually for the next seven years. While the projected growth rate is based on NHHMC's August 2009 to July 2013 compound annual growth rate of 3.8 percent, the resulting patient day volumes, as shown in Section IV of its application and reproduced below, show 4.0 percent annual growth from 2013 to 2019.

Year	*NHHMC Days*
2013	22,030
2014	23,152
2015	24,034
2016	24,949
2017	25,898
2018	26,884
2019	27,804
CAGR	**4.0%**

Source: NHHMC Application, page 74.

In support of its future need for beds, NHHMC cites several factors including the growth of the population in its service area. As shown in the excerpt on the following page from page 39 of its application, NHHMC projects that its service area will grow 1.8 percent annually from 2013 to 2018.

NHHMC Service Area
Projected Population Growth 2013-2018

Zip	Town	County	2013	2018	CAGR
28078	Huntersville	Mecklenburg County	57,419	64,192	2.3%
28031	Cornelius	Mecklenburg County	25,816	28,551	2.0%
28269	Charlotte	Mecklenburg County	76,786	85,095	2.1%
28216	Charlotte	Mecklenburg County	50,096	54,405	1.7%
28037	Denver	Lincoln County	19,637	20,941	1.3%
28036	Davidson	Mecklenburg County	15,823	16,970	1.4%
28117	Mooresville	Iredell County	36,420	39,477	1.6%
28115	Mooresville	Iredell County	37,041	39,738	1.4%
28164	Stanley	Gaston County	14,370	15,050	0.9%
28214	Charlotte	Mecklenburg County	37,155	40,968	2.0%
28262	Charlotte	Mecklenburg County	41,249	46,154	2.3%
28027	Concord	Cabarrus County	57,157	61,491	1.5%
28080	Iron Station	Lincoln County	7,364	7,542	0.5%
28120	Mount Holly	Gaston County	20,178	21,108	0.9%
Total Service Area			498,524	543,700	1.8%

Source: ***Exhibit 2, Table 6***

As such, NHHMC's projected growth rate of 4.0 percent annually is 2.3 times as large as the projected population growth for its service area (4.0 percent projected growth for NHHMC ÷ 1.8 percent growth for NHMMC's service area population = 2.3x). NHHMC does not provide adequate support for its assumption that it will grow at a rate over two times as fast as the population.

NHHMC's application also cites the impact of the Patient Protection and Affordable Care Act (PPACA). However, CHS believes it is important to note that the PPACA's effect on inpatient utilization in North Carolina is unknown at this point. North Carolina is not currently expected to expand Medicaid coverage and as result it is uncertain how many of the uninsured will become insured. Moreover, as NHHMC discusses, the PPACA is designed to *"reign in escalating health care costs"* (page 33). As such, it is unlikely to drive a significant increase in inpatient utilization long-term above historic levels, as the inpatient setting is one of the most costly locations for care. Given these factors, Novant Health did not demonstrate that the PPACA will support its assumption that future utilization will grow at a rate that far outstrips population growth.

NHHMC's application goes on to cite its historic growth in emergency department visits as supportive of future utilization. As shown in the excerpt below from page 35 of its application, NHHMC's emergency department visits have grown only 2.0 percent annually from 2008 to 2012, which is not supportive of a growth rate of 4.0 percent for total acute

care days. It should also be noted that NHHMC's emergency department exhibited minimal growth since 2009 (a compound growth rate of only 1.0 percent).

Huntersville Medical Center
Emergency Department Utilization
October 2007 – September 2012

Federal Fiscal Year (Oct– Sept)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
ED Visits	30,841	32,357	32,047	33,257	33,335
Annual % Increase	3.3%	4.9%	-1.0%	3.8%	0.2%
FY 2005 – 2012 CAGR					2.0%

Source: 2009– 2013 LRAs

Moreover, CMC-University opened its CMC-Huntersville freestanding emergency department in April 2012. Per its 2013 Hospital License Renewal Application, CMC-Huntersville treated 4,190 emergency department visits in partial year FFY 2012. Internal data indicates that CMC-Huntersville has provided 10,476 emergency department visits in the ten months of CY 2013 or 12,571 annualized visits. NHHMC did not address whether its historic emergency department growth will continue given the recent growth at CMC-Huntersville.

NHHMC's application also cites historic growth in its medical staff and in market share in several counties. However, NHHMC fails to provide a reasonable basis for the CON Section to determine whether these factors will continue to drive substantial growth well over projected population growth. There is no discussion of the number of patient days that will result from medical staff growth or any discussion of the amount of utilization that can be expected from assumed increases in market share.

Finally, as shown in the summary utilization for Novant Health above, NHHMC's historic growth in utilization has occurred while its system utilization overall has declined. Novant Health does not provide adequate support for the assumptions that form the basis of its projected growth for both NHHMC and its system volume overall given this historic pattern.

- Novant Health Matthews Medical Center (NHMMC)

Please note that CHS is only commenting on NHMMC's projections insofar as they impact the NHHMC application's ability to meet the performance standard for new acute care beds. CHS is not commenting on NHMMC's concurrently filed application to relocate acute care beds.

NHHMC's application provides tables and assumptions, excerpted below, which show that NHMMC is projected to grow 4.5 percent annually for the next seven years.

CY	*NHMMC*
2013	30,890
2014	36,287
2015	37,291
2016	37,836
2017	39,436
2018	40,540
2019	40,191
CAGR	**4.5%**

Source: NHHMC Application, page 190.

The total growth is based on unreasonable growth assumptions for medical/surgical days and the related impact on ICU days; as well as, unsupported assumptions regarding the shift of obstetric patients. Each of these issues is discussed in turn below.

Medical/Surgical and ICU Days

Of the more than 9,000 patient days of growth expected for NHMMC, per the table below, nearly half are expected to be medical/surgical days and an additional 16 percent are expected to be ICU days.

CY	*Med/Surg excl. NICU*	*NICU*	*ICU*	*Obstetrics*	*NHMMC Total*
2013	22,130	1,065	1,381	6,313	30,889
2014	23,347	1,493	2,602	8,845	36,287
2015	24,164	1,506	2,694	8,927	37,291
2016	24,556	1,521	2,738	9,010	37,825
2017	25,918	1,535	2,889	9,094	39,436
2018	26,825	1,549	2,990	9,177	40,541
2019	26,594	1,564	2,895	9,139	40,192
Total Growth	**4,464**	**499**	**1,514**	**2,826**	**9,303**
Percent of Total Growth	**48%**	**5%**	**16%**	**30%**	**100%**

Source: NHHMC Application, page 190.

In fact, medical/surgical patient days are projected to grow 3.1 percent annually and ICU patient days are expected to grow 13.1 percent

annually. The projected growth is based on specific annual growth rates for medical/surgical days and an assumed relationship with ICU. As shown below, medical/surgical days are expected to grow as much as 5.5 percent in two separate years.

CY	*Med/Surg excl. NICU*	*Annual Growth*	*ICU*	*ICU as % of Med/Surg*
2013	22,130	NA	1,381	6.2%
2014	23,347	5.5%	2,602	11.1%
2015	24,164	3.5%	2,694	11.1%
2016	24,556	1.6%	2,738	11.2%
2017	25,918	5.5%	2,889	11.1%
2018	26,825	3.5%	2,990	11.1%
2019	26,594	-0.9%	2,895	10.9%
CAGR	**3.1%**	**NA**	**1,514**	**NA**

However, the basis for projecting growth in medical/surgical days at NHMMC is completely unreasonable and unreliable. On page 191 of the NHHMC application, Novant Health provides its assumed growth rates for NHMMC and the basis for high projected growth rates in particular, namely that when NHMMC added beds in 2008 its volumes grew in the two subsequent years and thus, when NHMMC adds beds in 2013 and 2017, volumes will grow in the two subsequent years in each instance. Please find an excerpt from this page below.

Table 12. Projections Assumptions Medical Surgical

Timeframe	Note	Growth	Assumption
Medical Surgical Interim Growth Rate 2014	17 New Acute Care Medical Surgical Beds PY 1 CON Project ID #F-8437-09	5.5%	NHMMC last added acute beds in 2008 - First Year Growth Rate exceeded 12% - 17 New Medical surgical beds opened September 2013; projected growth rate of 5.5% is conservative
Medical Surgical Interim Growth Rate 2015	17 New Acute Care Medical Surgical Beds PY 2 CON Project ID #F-8437-09	3.5%	NHMMC last added acute beds in 2008 - Growth Rate continued in the second year at over 4.5% then leveled off and decreased slightly due to the initiation of major construction on site; projected growth rate of 3.5% is conservative
Medical Surgical Interim Growth Rate	Weighted Cty Population Growth	1.66%	Weighted County Population Growth - More conservative growth rate due to beginning construction on campus for the new Women's Center Pavilion in 2015
MS Growth Rate PY 1 2017	8 New Acute Care Medical Surgical Beds PY 1 for this project	5.5%	NHMMC added acute beds in 2008 - First Year Growth Rate exceeded 12% - 8 New Medical surgical beds will open January 2017; projected growth rate of 5.5% is conservative
MS Growth Rate PY 2 2018	8 New Acute Care Medical Surgical Beds PY 2 for this project	3.5%	NHMMC last added acute beds in 2008 - Growth Rate continued in the second year at over 4.5%; projected growth rate of 3.5% is conservative
MS Growth Rate PY 3 2019	Weighted Cty Population Growth	1.66%	Weighted County Population Growth more conservative projections in PY 3, PY 4, PY 5
MS Growth Rate PY 4 2020	Weighted Cty Population Growth	1.66%	Weighted County Population Growth more conservative projections in PY 3, PY 4, PY 5
MS Growth Rate PY 5 2021	Weighted Cty Population Growth	1.66%	Weighted County Population Growth more conservative projections in PY 3, PY 4, PY 5

Source: Table 12c., 23; Section III.1.(a) in CON Application for NHMMC submitted concurrently with this Application

In fact, it appears that NHMMC did not add beds in 2008. As shown in the table below, NHMMC opened in 1994 with 102 beds and operated at that same capacity until 2010.

FFY	*NHMMC Beds*
1994 to 2009	102
2010	114
2011	117
2012	117

Source: Attachment I.

Please see Attachment I for excerpts from NHMMC's website and Hospital License Renewal Applications, the *1996 SMFP*, and applicable progress reports which provide the basis for the bed capacity figures in the table above. In addition, NHMMC's prior acute care bed CON applications indicate that it did not add beds in 2008. In its application for 12 new beds filed in May 2008, NHMMC states "[t]*he proposed project will result in an increase in total licensed bed capacity at* [NHMMC] *from 102 to 114* beds" (see Attachment I for pages 1-3 of Project ID # F-8132-08). In October 2009, NHMMC's application for 20 additional acute care beds states in footnote 4 on page 4 that "[p]*er the* [NHMMC] *2009 Licensure Renewal Application,* [NHMMC] *was operating for* [sic] *102 acute beds at the end of FFY 2008 (on 9/30/2008); in April 2009 a Certificate of Need was issued to* [NHMMC] *for 12 additional acute care beds (Project I.D. #F-8132-08) to be implemented in existing patient bedrooms. See Exhibit 2 for a copy of* [NHMMC's] *Certificate of Needs for 12 New Acute Beds. The applicant expects that these 12 additional beds will become operational during October 2009* [the beginning of FFY 2010] *and certainly will become operational while this application is under review (November 2009 through March 2010)*" (see Attachment I for pages 1-4 of Project ID # F-8437-09). As such, NHMMC's statements indicate that it operated 102 beds until 12 beds were added in FFY 2010.

Given that it appears that NHMMC did not bring any beds online in 2008, the growth in subsequent years could not be related to the addition of beds and thus Novant Health's assumption for growth at NHMMC related to the addition of beds is unsupported by its own experience. In fact, NHMMC first added beds in 2010 and then again in 2011. As shown in the table on the following page, NHMMC's utilization increased from 2009 to 2010 and declined in 2011.

FFY	NHMMC Beds	NHMMC Days	Annual Growth
2009	102	32,077	NA
2010	114	32,909	2.6%
2011	117	31,535	-4.2%

Source: Attachment I for beds; *2011 to 2013 SMFP* for patient days.

Moreover, Novant Health's assumption that the addition of capacity will result in additional utilization is not supported in the absence of unmet demand. Specifically, NHMMC is projected to operate at 72.3 percent of occupancy in 2013. As such, it would appear to have sufficient existing capacity to meet the needs of additional patients. It simply does not make sense that adding beds will automatically result in additional patients in a facility that is not at maximum capacity.

Novant Health does offer other rationalizations for the projected growth at NHMMC, stating that "*medical surgical and ICU volumes are projected to increase as a result of the expansion of NHMMC cardiac services effective January 2014 via designation as a STEMI hospital, and the impact of additional physicians and surgeons that have joined the PHMMC* [sic] *medical staff in the last several years*" (pages 26 and 27 of the NHHMC application). However, Novant Health does not provide any assumptions that link the STEMI program to the particular growth assumptions. Rather, the growth assumptions are linked directly to the erroneous connection between additional beds and additional utilization.

Given this information, it is clear that the growth in medical/surgical patient days assumed at NHMMC is unreasonable. As Novant Health projects that ICU days will be equal to 11.1 percent of medical/surgical days at NHMMC, the NHMMC ICU days are also unreasonable. If NHMMC medical/surgical days are assumed to grow at the projected population growth rate for its service area, 1.66 percent (see page 198 of the NHHMC application), then NHMMC would be projected to provide 23,750 medical/surgical patient days in 2019, after adjusting for the shift to NHMHMC as shown on the following page. As such, NHMMC's medical/surgical patient days are overstated by 2,844 days (26,594 days projected in application - 23,750 days adjusted days = 2,844 overstated days).

CY	*Med/Surg excl. NICU*	*Annual Growth*	*Shift to NHMHMC*	*Adjusted Med/Surg excl. NICU*
2013	22,130	NA	-	22,130
2014	22,497	1.66%	-	22,497
2015	22,871	1.66%	-	22,871
2016	23,250	1.66%	-	23,250
2017	23,636	1.66%	-	23,636
2018	24,029	1.66%	-	24,029
2019	24,428	1.66%	678	23,750
CAGR	**1.66%**	**NA**	**NA**	**1.18%**

If its assumption for ICU days is maintained, then NHMMC would be projected to provide 2,667 ICU days in 2019, after adjusting for the shift to NHMHMC, as shown below. As such, NHMMC's ICU days are overstated by 228 days.

	2019
Adjusted Med/Surg Days Prior to Shift	24,428
ICU as Percent of Med/Surg	11.2%
Adj. ICU Days Prior to Shift	2,736
Shift to NHMHMC	69
Adj. ICU Days Prior to Shift	**2,667**

In total, NHMMC's medical/surgical and ICU projections are overstated by 3,072 days; as noted above, the NHHMC application provides projections that exceed the performance standard by 646 days and thus, more reasonable projections would result in a failure to meet the performance standard.

Obstetric Days

Novant Health's projections for NHMMC assume that obstetrics days will grow 6.4 percent annually through 2019, as shown on the following page, based on the assumed impact of the shift of patients from the Carmel Ob/Gyn physician practice.

CY	*Obstetrics Days*	*LDRP Beds*	*Occupancy*
2013	6,313	23	75.2%
2014	8,845	23	105.4%
2015	8,927	23	106.3%
2016	9,010	23	107.3%
2017	9,094	30	83.1%
2018	9,177	30	83.8%
2019	9,139	30	83.5%
CAGR	**6.4%**	**NA**	**NA**

Source: NHHMC Application, page 190.

As shown above, Novant Health projects that patient volume will result in greater than 100 percent occupancy of NHMMC's 23 LDRPs for three straight years and that the volume will continue to grow annually despite this overcapacity. The NHHMC application states on page 190 that "[d]*uring the interim years NHMMC will use the existing 23 LDRP beds plus medical surgical beds, as needed, to provide additional OB capacity for obstetrical post-partum services; effective PY1 NHMMC will utilize the 30 LDRP beds for obstetrical services.*" This is simply unreasonable. Expecting mothers are discerning healthcare consumers unlikely to utilize a facility that moves post-partum families to general medical/surgical units. It is entirely likely that NHMMC will not achieve the projected growth in obstetrics patients and that it will not have capacity issues.

In fact, Novant Health's utilization projections for CY 2013, which include an assumed shift of Carmel Ob/Gyn patients in the 4th quarter, indicate that a full shift is not reasonable. On page 190 of the NHHMC application, Novant Health states in Note 2 that the "[i]*mpact of Carmel OB/GYN = OB = 150 patients x 2.54 ALOS in Q4 2013.*" Based on this note, a full year of Carmel Ob/Gyn shift would equal 600 patients, not the 950 patients assumed in the application.

If Carmel Ob/Gyn shifts only 600 patients as suggested in Note 2, then NHMMC's LDRP beds will not operate above 100 percent of capacity in the interim years (a much more reasonable assumption) and would provide 8,180 patient days in PY3, or 74.7 percent occupancy of the 30 proposed LDRP beds. Please see Attachment II which details the revised obstetrics utilization. Given the revised projections, NHMMC's obstetric projections are overstated by 958 days (9,139 days projected in application – 8,180 adjusted days = 958 overstated days). As noted above, the NHHMC application provides projections that exceed the performance

standard by 646 days and thus, more reasonable projections would result in a failure to meet the performance standard.

- Novant Health Presbyterian Medical Center (NHPMC)

  NHPMC assumes that total acute care days at its facility will increase 1.4 percent annually through the next seven years. The projected growth rate is based on an assumed annual growth rate of 1.76 percent, based on the weighted population growth of its service, and a reduction in days associated the opening of NHMHMC. Please see the table below for NHPMC's projected days.

Year	*NHPMC Days*
2013	140,054
2014	142,515
2015	145,019
2016	147,568
2017	150,161
2018	152,800
2019	152,497
CAGR	**1.4%**

Source: NHHMC Application, page 195.

However, there is no discussion of the impact of the relocation of 20 beds to NHMMC and the related development of the STEMI program at that facility. Moreover, NHHMC is projected to increase over and above population growth as discussed previously, which may indicate some shift of patient volume between these two Novant facilities. Given these factors, it is likely that volume will shift from NHPMC to both NHMMC and NHHMC. However, the application provides no discussion or assumptions about these factors. As such, NHPMC's volume is likely overstated. As noted above, the NHHMC application provides projections that exceed the performance standard by 646 days and thus, more reasonable projections would result in a failure to meet the performance standard.

As discussed in detail above, NHHMC's application includes unreasonable assumptions regarding the utilization at NHHMC as well as more broadly at all Novant Health hospitals in Mecklenburg County. Given these factors, NHHMC should be found non-conforming with Criterion 3 as well as with the applicable performance standard, 10A NCAC 14C .3803.

Failure to Adequately Demonstrate that the Proposed Project Represents the Least Costly and/or Most Effective and Reasonable Alternative

NHHMC's application involves the development of 17 additional acute care beds in existing space located on the second and third floors of the medical center. While CHS acknowledges that use of existing space is recognized as a cost effective alternative, there was no discussion of substance regarding the existing space. That is, there was no discussion regarding the relocation of functions and services currently provided in the existing space where NHHMC proposes to house the additional beds. In particular, the space proposed by Novant Health to house the additional beds is currently occupied by unlicensed patient rooms/observation rooms (10) and conference rooms (which will be renovated to house the remaining seven additional beds—in particular three conference rooms on the second floor will be renovated to house four beds; one conference room, nurse practitioner and breast feeding consult room located on the third floor will be renovated to house two beds; and another conference room located on the third floor will be renovated to house the final bed; see pages 608 and 609 of NHHMC's application). Therefore, while NHHMC's proposed project will displace all of the medical center's observation beds (10) as well as five conference rooms, a nurse practitioner and breast feeding consult room, NHHMC fails to address whether these displaced functions and services will be relocated in conjunction with the proposed project (and if so, whether those costs are included in the total capital cost for the proposed project) and if not, how staff and patients currently utilizing these functions/services will continue to have access to these functions/services upon completion of the project. As such, NHHMC has failed to demonstrate that its proposed design represents the most reasonable alternative.

Moreover, given the current market, Novant Health failed to select the most effective alternative. In reviewing NHHMC's alternatives, CHS believes that Novant Health failed to account for all reasonable alternatives—namely, locating the beds downtown or developing the additional beds in such a manner as to ease capacity constraints downtown. Novant Health failed to adequately demonstrate why locating the beds downtown was not an effective alternative. In contrast, CHS considered all reasonable alternatives in order to demonstrate why the beds should be located at CMC-Mercy and CMC-University and how its proposals will effectively ease capacity constraints at CMC, the facility that generated the need for the 40 additional beds identified in the *2013 SMFP*. As discussed in its complementary applications, the need in Mecklenburg County is within downtown Charlotte and of the facilities, CMC has the single highest bed need.

NHHMC's proposal does not include discussion of an alternative to develop its proposed additional acute care beds at one of its facilities located

downtown or in such a manner as to ease capacity constraints downtown which speaks to whether Novant Health has proposed the least costly and/or most effective alternative and as such the application should be found non-conforming with Criterion 4. In addition, NHHMC has failed to demonstrate that the design proposed represents the most reasonable alternative and as such, should be found non-conforming with Criterion 12.

GENERAL COMPARATIVE COMMENTS

The NHHMC, CMC-Mercy, and CMC-University applications each propose to develop acute care beds in response to the *2013 SMFP* need determination for Mecklenburg County. CHS acknowledges that each review is different and therefore, that the comparative review factors employed by the Project Analyst in any given review may be different depending upon the relevant factors at issue. Given the nature of the review, the Analyst must decide which comparative factors are most appropriate in assessing the applications.

In order to determine the most effective alternative to meet the identified need for 40 additional acute care beds in Mecklenburg County, CHS reviewed and compared the following factors in each application:

- Access[3]
- Demonstration of Need
- Competition/Utilization of Existing Beds
- Financial Feasibility
- Revenue
- Operating Expenses
- Physician Support

CHS believes that the factors presented above and discussed in turn below should be used by the Analyst in reviewing the competing applications. The factors are appropriate and/or have been used in previous competitive acute care bed review findings.[4]

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3 Access includes geographic access and access to the underserved.

4 Please note that in developing comparative review factors, CHS looked to a number of acute care bed reviews for guidance, such as: the 2012 Hoke and Cumberland County Acute Care Beds Review and the 2011 Wake County Acute Care Beds Review. Where appropriate, CHS included relevant comparative factors used in those reviews. See, e.g., the 2012 Hoke and Cumberland County Acute Care Beds Review (using the following comparative factors: geographic accessibility, access by underserved groups, demonstration of need, financial feasibility, competition, coordination with the existing healthcare system, community support, revenues, operating expenses, and quality; the 2011 Wake County Acute Care Beds Review (using the following comparative factors: geographic accessibility, access by underserved groups, demonstration of need, financial feasibility, utilization and need for acute care beds at existing hospitals, revenue, operating expenses, and documentation of physician support).

Access

Under N.C. GEN. STAT. § 131E-175(3), the General Assembly of North Carolina found "[t]*hat, if left to the market place to allocate health service facilities and health care services, geographical maldistribution of these facilities and services would occur and, further, less than equal access to all population groups, especially those that have traditionally been underserved, would result.*" This Finding of Fact captures the notion that geographic access to healthcare services is an important factor in health planning. Therefore, geographic access and specifically, access to the medically underserved, were deemed appropriate comparative review factors and included in this analysis.

Geographic Access

The *2013 SMFP* identifies a need for 40 additional acute care beds in Mecklenburg County. The following table identifies the location of the existing and approved acute care beds located in Mecklenburg County.

Provider	City	# of Existing and Approved Acute Care Beds
Carolinas Medical Center	Charlotte	976 (814 + 162)
Carolinas Medical Center-Mercy	Charlotte	Included under Carolinas Medical Center's license (162)
Carolinas Medical Center-Pineville	Pineville	206
Carolinas Medical Center-University	Charlotte	94
Total CHS Acute Care Beds		*1,276*
Novant Health Presbyterian Medical Center	Charlotte	539
Novant Health Huntersville Medical Center	Huntersville	75
Novant Health Matthews Medical Center	Matthews	134
Novant Health Mint Hill Medical Center	Mint Hill	50
Novant Health Charlotte Orthopaedic Hospital	Charlotte	64*
Total Novant Health Acute Care Beds		*862*
Total Acute Care Beds in Mecklenburg County		***2,138***

*Novant Health Charlotte Orthopaedic Hospital was approved to develop 50 additional acute care beds pursuant to Project ID # F-8765-11. In addition, as indicated in Project ID # F-7648-06 Novant Health Presbyterian Medical Center intends to absorb 14 of the 64 beds identified in the table above following the completion of Novant Health Mint Hill Medical Center.

As shown in the table above, five of the nine hospitals are located in Charlotte. Of those five hospitals, four, highlighted in blue, are located in downtown Charlotte. As the table below demonstrates, the need identified in the *2013*

SMFP, as well as the *Proposed 2014 SMFP* is predominantly located in downtown, or Center City, facilities.

Facility	*2013 SMFP Projected Deficit (Bolded) or Surplus (-)*	*Proposed 2014 SMFP Projected Deficit (Bolded) or Surplus (-)*
Carolinas Medical Center	**142**	**91**
Novant Health Huntersville Medical Center	**10**	**8**
Novant Health Presbyterian Medical Center	**8**	-16
Novant Health Matthews Medical Center	**4**	-9
Carolinas Medical Center - University	-5	-8
Novant Health Charlotte Orthopaedic Hospital	-16	-21
Novant Health Mint Hill Medical Center	-50	-50
Carolinas Medical Center - Mercy/Pineville	-97	-92
Totals		
Total Center City/Downtown	**37**	-38
Total Other	**-41**	-59
Total CHS	**40**	-9
Total Novant Health	-44	-88

Source: *2008 SMFP*; *Proposed 2014 SMFP*, available at http://www.ncdhhs.gov/dhsr/mfp/pdf/2013/shcc/0925_table5a.pdf (Revised September 18, 2013).

All three applicants propose to add the acute care beds to an existing facility. The chart below details the locations proposed by the three applicants discussed in these comments.

Applicant	*Proposed Site*	
	Address	*City/Location within Mecklenburg County*
NHHMC	10030 Gilead Road Huntersville, NC 28078	Huntersville
CMC-Mercy	2001 Vail Avenue Charlotte, NC 28207	Charlotte
CMC-University	8800 North Tryon Street Charlotte, NC 28262	Charlotte

Of the applicants, CHS is the only one to propose to develop the beds in such a manner as to ease capacity constraints downtown. Novant Health's application does not propose to develop the beds at one of its facilities located downtown or

in such a manner as to ease capacity constraints in the downtown area – the area with the largest deficit of beds identified in the *2013 SMFP*.

Access to Underserved

The Department of Health and Human Resources has recognized the need to ensure access to healthcare in as equitable a manner as possible. *See, e.g.,* N.C. GEN. STAT. §§ 131E-175(3), (3a) and 131E-183(a)(3), (13). The following table illustrates each applicant's projected percentage of acute care inpatient cases to be provided to Medicaid and Medicare recipients in the second year of operation following completion of the project.

	Medicare as % of Total Cases	*Medicaid as % of Total Cases*	*Government Payors as % of Total Cases*
CMC-Mercy	58.7%	10.2%	68.9%
CMC-University	45.2%	14.5%	59.7%
NHHMC	50.0%	9.0%	59.1%

Sources: Form D for each applicant.

As shown in the table above, CMC-Mercy projects the highest Medicare and Medicaid recipients as a percent of total while CMC-University projects the second highest Medicare and Medicaid recipients as a percent of total. In addition, CMC-University projects the highest Self Pay/Charity recipients as a percent of total while CMC-Mercy projects the second highest, as shown below.

	Self Pay/Charity Care as % of Total Cases
CMC-University	10.0%
CMC-Mercy	5.2%
NHHMC	3.7%

Sources: Form D for each applicant.

Moreover, the projected payor mix for each facility is based on its existing payor mix. As such, both CMC-Mercy and CMC-University are currently providing greater access to the underserved than NHHMC. Therefore with regard to access to the underserved, CHS's applications represent the most effective alternatives.

Demonstration of Need

Not only did NHHMC fail to adequately demonstrate the need the population projected to be served has for its proposal (see discussion above), but also, the applications submitted by CHS demonstrate a greater need for and are more

effective in addressing the need for additional acute care beds than the proposal submitted by Novant Health.

Competition/Utilization of Existing Beds

Of the 2,138 existing and approved acute care beds in Mecklenburg County, CHS owns and operates 1,276 beds while Novant Health owns and operates the remaining 862 beds. As CHS noted in its complementary applications, since 1994, four need determinations for additional acute care beds in Mecklenburg County have been identified. The table below details the four need determinations including the number of beds identified and the provider/facility awarded the CON.

SMFP	*Need Determination*	*CON Award*	
		Provider/Facility	*# of Beds*
2008	27	Novant Health/NHHMC*	15
		Novant Health/NHMMC**	12
2009	20	Novant Health/NHMMC**	20
2011	107	CHS/CMC	19
		CHS/CMC-Mercy	38
		Novant Health/NHCOH***	50
2013	40	TBD	TBD
		Total	***154***
		Total Novant Health	***97***
		Total CHS	***57***
		Total % Novant Health	***63%***
		Total % CHS	***37%***

*Novant Health Huntersville Medical Center
**Novant Health Matthews Medical Center
***Novant Health Charlotte Orthopaedic Hospital

Of the 154 beds that have been awarded since 1994, Novant Health has been awarded 97 or approximately 63 percent of the beds while CHS has been awarded 57 or approximately 37 percent of the beds. If CHS's complementary applications are approved, CHS will own and operate 97 (40 + 57) of the 194 approved beds in Mecklenburg County (154 beds since 1994 plus 40 beds at issue in the current review) or 50 percent of the approved beds in Mecklenburg County since 1994.

Please note that CHS is not suggesting that the most effective competition would exist where the beds are split evenly between the providers. Rather, the current distribution of operational and awarded beds, coupled with actual utilization of

existing beds, discussed below, demonstrate a preference for CHS facilities and the corresponding need for additional beds to be located at CHS facilities.

Provider	*Days*	*Average Daily Census*	*Beds*	*Occupancy*
CHS	344,089	942.7	1,276	73.9%
Novant Health	200,835	550.2	862	63.8%

Source: *Proposed 2014 SMFP*, available at http://www.ncdhhs.gov/dhsr/mfp/pdf/2013/shcc/0925_table5a.pdf (Revised September 18, 2013).

According to data from the *Proposed 2014 SMFP*, presented in the table above, CHS, which operates a total of 1,276 acute care beds, has an average daily census (ADC) of 942.7 which equates to 73.9 percent occupancy. By comparison, Novant Health, which operates a total of 862 acute care beds, has an ADC of 550.2 which equates to 63.8 percent occupancy. Of note, Novant Health's occupancy is more than 10 percentage points less than CHS's. Not only do CHS facilities serve a greater number of patients, but also they better utilize their resources than Novant Health. The foregoing demonstrates a preference for CHS facilities.

Financial Feasibility

Both CHS applications adequately demonstrated that the financial feasibility of their proposed projects are based on reasonable projections of costs and revenues. In contrast, NHHMC's application includes unreasonable utilization projections (see discussion above relative to Criterion 3) and thus, it has not demonstrated that its proposed project is financially feasible.

Revenue

The table on the following page compares the net patient revenue per adjusted patient day for 2017 as provided in response to Section X.3 for each applicant. It is important that financial indicators be assessed based on adjusted patient days, as requested by Section X.3, in order to account appropriately for differences in the mix of inpatient and outpatient services among facilities. The proposed projects for CMC-Mercy and CMC-University begin operation on January 1, 2015; thus, 2017 is the third project year for each. NHHMC's project begins operation on January 1, 2017; thus 2017 its first project year. Given these timelines, 2017 is the only project year in common for all three projects. Based on the financial assumptions for all three applicants, the financial results for a common year (2017) are a reasonable basis for comparison.

Applicant	*Net Patient Revenue*	*Adjusted Patient Days*	*Net Patient Revenue per Adj. Patient Day*
NHHMC	$197,380,978	56,158	$3,514.74
CMC-University	$189,583,000	69,501	$2,727.77
CMC-Mercy	$261,282,000	102,464	$2,549.99

Source: Section X.3

As shown above, NHHMC projects the highest net patient revenue per adjusted patient day of the three applicants. NHHMC's projection of $3,514.74 per adjusted patient day is 29 percent higher than CMC-University and 38 percent higher than CMC-Mercy. Moreover, NHHMC's financial projections are based on unreasonable utilization assumptions. Therefore with regard to net patient revenue, CHS's applications represent the most effective alternatives.

Operating Expenses

The following table compares the operating costs (expenses) per adjusted patient day for 2017 as provided in response to Section X.3 for each applicant.

Applicant	*Operating Expenses*	*Adjusted Patient Days*	*Operating Expenses per Adj. Patient Day*
CMC-Mercy	$235,349,434	102,464	$2,296.90
CMC-University	$155,609,000	69,501	$2,238.95
NHHMC	$122,029,001	56,158	$2,172.96

As shown above, all three applicants project comparable operating expenses per adjusted patient day; CMC-Mercy is less than six percent higher than NHHMC. However, NHHMC's financial projections are based on unreasonable utilization assumptions. Therefore with regard to operating expenses, CHS's applications represent the most effective alternatives.

Documentation of Physician Support

CHS maintains that documentation of support from Mecklenburg County physicians should be considered an important factor in this review. In Exhibit 3, Novant Health provided support from 26 Mecklenburg County physicians. In Exhibit 39 of its application, CMC-Mercy provided support from 79 Mecklenburg County physicians. In Exhibit 38 of its application, CMC-University provided support from 79 Mecklenburg County physicians. Therefore, with regard to documentation of physician support, the complementary applications submitted by CHS are comparable. While Novant Health has physician support, NHHMC is the least effective alternative, given that it provides appreciably less support

than CMC-Mercy and CMC-University and that its projections reflect a growth rate that is so much higher than population growth which will require additional referrals/admissions from physicians.

SUMMARY

As noted previously, CHS maintains that the NHHMC application cannot be approved as proposed. As such, CHS maintains that it has the only approvable applications based on its comments.

In summary, based on both its comparative analysis and the comments on the competing application, as well as the analysis presented in its applications, CHS believes that its applications represent the most effective alternatives for meeting the need identified in the *2013 SMFP* for 40 additional acute care beds in Mecklenburg County. As such, the CON Section can and should approve both CHS applications.

Attachment I

Certificate of Need Application
ACUTE CARE FACILITY/
MEDICAL EQUIPMENT PROJECT
State of North Carolina, Department of Health and Human Services

OFFICE USE ONLY
Project I. D. Number: F-8132-08
Proposal Type: _____

Batch Category:
Beginning of Review:

I. IDENTIFICATION

1. Legal Name of the Applicant: The applicant is the existing legal entity (i. e., person or organization) that will own the facility. If the facility will be leased, complete two copies of Section VIII for the project; one with the lessor as the applicant and the other with the lessee as the applicant.

Presbyterian Medical Care Corporation, Inc. d/b/a Presbyterian Hospital Matthews
(Name of Applicant)
1500 Matthews Township Parkway
(Street & Number)

Matthews	**North Carolina**	**28105**	**Mecklenburg**
(City)	(State)	(Zip)	(County)

2. Name of Parent Company (if applicable):

Novant Health, Inc.
(Name of Applicant)
2085 Frontis Plaza Blvd.
(Street & Number)

Winston-Salem,	**North Carolina**	**27103**
(City)	(State)	(Zip)

3. Person to whom all correspondence and questions regarding this application should be directed:

Fred M. Hargett — **Senior Vice President, Financial Planning & Analysis**
(Name) (Title)
200 Hawthorne Lane
(Street & Number)

Charlotte	**North Carolina**	**28204**	**704/384-5184**
(City)	(State)	(Zip)	(Area Code & Phone Number)

4. Name of Lessor (If applicable):

Not applicable. The proposed project does not involve a lease.

5. Name of Lessee: (If applicable) (Attach copy of lease agreement)

Not applicable. The proposed project does not involve a lease.

6. Name of Management Company: (If applicable) (Attach copy of management contract)

Not applicable. The proposed project does not involve a management company.

7. Name of existing/proposed facility as it will appear on a certificate of need. (i.e. Jones Health Care d/b/a Jones of Smithburg):

Presbyterian Medical Care Corporation, Inc. d/b/a Presbyterian Hospital Matthews
(Name of Facility)

Mecklenburg County
(Name of County)

1500 Matthews Township Parkway	**Matthews**	**North Carolina**	**28105**
(Street & Number)	(City)	(State)	(Zip)

8. Provide a brief project description to identify the basic components of the project including the bed complement and proposed levels of care. This should be a one sentence description for identification purposes only.

PHM proposes to renovate existing rooms within PHM to accommodate 12 new acute licensed beds based on a need determination in the 2008 SMFP for 27 new acute beds in Mecklenburg County[1]. The proposed project will result in an increase in total licensed bed capacity at PHM from 102 to 114 beds.

[1] Presbyterian Hospital Huntersville will file a CON application on May 15, 2008 seeking the state's approval to add 15 new acute beds (13 med/surg acute beds & 2 ICU beds), including the construction of a new bed tower. When the to Presbyterian Healthcare hospital CON applications are considered together, these two facilities (PHH and PHM) are collectively seeking the state's approval for 27 new acute beds, with 12 new beds to be located in southern Mecklenburg County and 15 new beds to be located in northern Mecklenburg County.

9. Indicate the type of Construction or Change in Service: (Check the appropriate boxes)

(a)		New Facility or Service
(b)		Total Replacement of Existing Facility
(c)	X	Renovation or Modernization
(d)	X	Expansion or Reduction of Services
(e)		Medical Equipment
(f)		Change in Bed Capacity

1.	**12**	Number of Beds to be Added
2.	**0**	Number of Beds to be Deleted
3.	**6 – ICU** **8 – Neonatal Level III** **23 – Obstetrics** **55 – Medical/Surgical** **102 – Total Acute Care**	Total Number of Beds Currently Licensed (by licensure category)
4.	**114**	Total Numbers of Beds to Be Licensed After Project Completion
5.	**114**	Total Beds Currently Operational

10. Type of Ownership: Check one of the following line items to describe the ownership" of the applicant that is identified in Section I.1 of this application. Attach any documentation that will clearly identify the owner or lessee of the facility even if specific documents are not indicated below.

	Proprietary
	Individual
	Partnership - Attach a copy of the Partnership Agreement and receipt showing agreement has been recorded with the Secretary of State.
	In-State Corporation - Attach a copy of the Articles of Incorporation and Certificate of Incorporation.
	Out-of-State Corporation - Attach evidence of registration with the Secretary of State.
	Other (specify) _____
	Non-Profit
	Corporation - Attach a copy of Articles of Incorporation and Certificate of Incorporation.
	Church
X	Other (Specify) **Please see Exhibit 1 for a copy of the Articles of Incorporation for Presbyterian Medical Care Corporation, Inc. d/b/a Presbyterian Hospital Matthews and Novant Health, Inc.**
	Governmental
	State
	County - Attach documentation that the county commissioners have endorsed this project if prior approval is required.
	City
	City/Council
	District
	Hospital Authority or Commission
	Other(Specify) _____

Certificate of Need Application
ACUTE CARE FACILITY/
MEDICAL EQUIPMENT PROJECT
State of North Carolina, Department of Health and Human Services

OFFICE USE ONLY
Project I. D. Number: F-8437-09
Proposal Type: _____

Batch Category: _____
Beginning of Review: _____

I. IDENTIFICATION

1. Legal Name of the Applicant: The applicants are the legal entities (i.e., persons or organizations) that will own the facility and any other persons who will offer, develop or incur an obligation for a capital expenditure for the proposed new institutional health service.

Presbyterian Medical Care Corporation, Inc. d/b/a Presbyterian Hospital Matthews
(Name of Applicant)

1500 Matthews Township Parkway
(Street & Number)

Matthews	**North Carolina**	**28105**	**Mecklenburg**
(City)	(State)	(Zip)	(County)

1a. Legal Name of the Applicant: The applicants are the legal entities (i.e., persons or organizations) that will own the facility and any other persons who will offer, develop or incur an obligation for a capital expenditure for the proposed new institutional health service.

Novant Health, Inc.[1]
(Name of Applicant)

2085 Frontis Plaza Blvd.
(Street & Number)

Winston-Salem,	**North Carolina**	**27103**	**Forsyth**
(City)	(State)	(Zip)	(County)

[1] Novant Health, Inc. is included as an applicant based on direction from the Chief and the Deputy Chief of the CON Section during a discussion in August 2009. Novant Health, Inc. will provide the capital funds for this project. See Section VIII.

2. Name of Parent Company (if applicable):

Novant Health, Inc. [2]

2085 Frontis Plaza Blvd.
(Street & Number)

Winston-Salem,	**North Carolina**	**27103**
(City)	(State)	(Zip)

3. Person to whom all correspondence and questions regarding this application should be directed:

Laura MacFadden **Senior Director, Design & Construction, Novant Health, Inc.**
(Name) (Title)

1980 South Hawthorne Rd., Suite 200	**Winston-Salem**	**North Carolina**	**27103**
(Street & Number)	(City)	(State)	(ZIP)

336-718-0725 **336-277-0556**
(Telephone #, including code and extension) (Fax #)

lmacfadden@novanthealth.org
(Email Address)

4. Name of Lessor (If applicable):

Not Applicable. There is no lessor involved in this project.

(Street & Number)

(City)	(State)	(Zip)

[2] Novant Health, Inc. is a co-applicant to the extent required as owner of the real assets involved in the proposed project.

5. Name of Lessee: (If applicable) (Attach copy of lease agreement)

Not Applicable. There is no lessee involved in this project.

(Street & Number)

(City) (State) (Zip)

6. Name of Management Company: (If applicable) (Attach copy of management contract)

Not Applicable. There is no management company involved with the project.

(Street & Number)

(City) (State) (Zip)

7. Name of existing/proposed facility

Presbyterian Medical Care Corporation, Inc. d/b/a Presbyterian Hospital Matthews
(Name of Facility)

Mecklenburg County
(Name of County)

1500 Matthews Township Parkway	**Matthews**	**North Carolina**	**28105**
(Street & Number)	(City)	(State)	(Zip)

8. Provide a brief project description to identify the basic components of the project including the bed complement and proposed levels of care. This should be a one sentence description for identification purposes only.

Presbyterian Hospital Matthews is seeking approval to add 20 new acute beds based on the 2009 SMFP Mecklenburg County Need Determination for 20 new acute beds. The addition of these 20 acute beds is part of a larger facility expansion at Presbyterian Hospital Matthews to add to the current hospital facility a new fifth floor to the PHM Bed Tower with 42 private patient rooms: a 10-bed Medical/Surgical ICU (based on 6 existing PHM ICU beds + 4 additional ICU beds from the 09 SMFP Acute Bed Need Determination for Mecklenburg County); a 22 bed acute inpatient medical/surgical unit (based on 16 additional acute beds from the 09 SMFP Acute Bed Need Determination for Mecklenburg County + the relocation of 6 existing PHM acute beds from PHM Floors 2-3-4 to the 5th floor); and a 10-bed observation unit.

9. Indicate the type of Construction or Change in Service: (Check the appropriate boxes)

(a)		New Facility or Service
(b)		Total Replacement of Existing Facility
(c)	X	Renovation or Modernization
(d)		Expansion or Reduction of Services
(e)		Medical Equipment
(f)	X	Change in Bed Capacity

1.	**20**	Number of Beds to be Added **(Acute Beds based on SMFP Need Determination, 2009 SMFP, Mecklenburg County)**
2.	**-0-**	Number of Beds to be Deleted
3.	**114**[3]	Total Number of Beds Currently Licensed (by licensure category) **See text and footnotes below.**
4.	**134**	Total Numbers of Beds to Be Licensed After Project Completion
5.	**114**[4]	Total Beds Currently Operational

Currently, PHMatthews is licensed for 114 acute care beds[5]: 6 Medical/Surgical ICU beds, 8 Level III NICU Beds, 100 acute medical/surgical beds, and 3 unlicensed observation beds. If this project is approved, PHMatthews will become licensed for 134 acute care beds: 10 medical/surgical ICU beds, 8 Level III NICU Beds, 116 acute medical/surgical beds, as well as the addition of 10 unlicensed observation beds, for a total of 12 observation beds.

[3] Per the PHMatthews 2009 Licensure Renewal Application, PHMatthews was licensed for 102 acute beds during FFY 2008; in April 2009 a Certificate of Need was issued to PHMatthews for 12 additional acute care beds (Project I.D. #F-8132-08) to be implemented in existing patient bedrooms. See **Exhibit 2** for a copy of the Presbyterian Hospital Matthews 2009 Hospital Licensure Renewal Application.

[4] Per the PHMatthews 2009 Licensure Renewal Application, PHMatthews was operating for 102 acute beds at the end of FFY 2008 (on 9/30/2008); in April 2009 a Certificate of Need was issued to PHMatthews for 12 additional acute care beds (Project I.D. #F-8132-08) to be implemented in existing patient bedrooms. See **Exhibit 2** for a copy of the PHMatthews Certificate of Need for 12 New Acute Beds. The applicant expects that these 12 additional acute beds will become operational during October 2009 and certainly will become operational while this application is under review (November 2009 through March 2010). See **Exhibit 2** for the Oct. 8, 2009 letter from the DHSR Licensure Section regarding these 12 new acute beds.

[5] A Certificate of Need for 12 new acute beds was issued to Presbyterian Hospital Matthews in April 2009 pursuant to CON Project I.D. #F-8132-08. Currently, Presbyterian Hospital Matthews is working the DHSR Construction & Licensure Sections and expects that these 12 beds will become licensed acute beds while this application is under review.

Our History

Matthews Medical Center

About Us

The efforts around Novant Health Matthews Medical Center began about a decade before the vision became a reality. The hospital opened in August of 1994, a $43.6 million, 240,000-square-foot facility with 102 private patients rooms, an emergency department, inpatient and outpatient surgery, radiology, laboratories, a diagnostic treatment and support service area, an intensive care unit for critically-ill patients, and a special emphasis on maternity care.

To date, Matthews Medical Center continues to look for ways to constantly improve the patient experience at the facility. With a keen focus on convenient access, comfortable, home-like rooms, inviting landscape, and room to grow, the hospital continues to please all those that visit.

Ownership Disclosure *continued. . . .*

3. Vice President of Nursing and Patient Care Services: Brenda Schooley, RN, Director of Nursing
4. Director of Planning: Gwendolyn Guemsey

Facility Data

A. Reporting Period All responses should pertain to the period **October 1, 2011 to September 30, 2012.**

B. General Information (Please fill in any blanks and make changes where necessary.)

a. Admissions to Licensed Acute Care Beds: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	7,925 ✓	
b. Discharges from Licensed Acute Care Beds: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	8,016	
c. Average Daily Census: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	83.2 ✓	
d. Was there a permanent change in the total number of licensed beds during the reporting period?	Yes X	No
If 'Yes', what is the current number of licensed beds?	117	
If 'Yes', please state reason(s) (such as additions, alterations, or conversions) which may have affected the change in bed complement:		
e. Observations: Number of patients in observation status and not admitted as inpatients, excluding Emergency Department patients.	2,024	

C. Designation and Accreditation

1. Are you a designated trauma center? ____ Yes (____ Designated Level #) X No
2. Are you a critical access hospital (CAH)? ____ Yes X No
3. Are you a long term care hospital (LTCH)? ____ Yes X No
4. Is this facility TJC accredited? ____ Yes X No Expiration Date: 5/18/14
5. Is this facility DNV accredited? ____ Yes X No Expiration Date: ____
6. Is this facility AOA accredited? ____ Yes X No Expiration Date: ____
7. Are you a Medicare deemed provider? X Yes ____ No

D. Beds by Service (Inpatient – Do Not Include Observation Beds or Days of Care)

[Please provide a Beds by Service (p. 4) for each hospital campus (see *G.S. 131E-176(2c)*)]

Please indicate below the number of beds usually assigned (set up and staffed for use) to each of the following services and the number of census inpatient days of care rendered in each unit. NOTE: If your facility has a designated unit(s) for chemical dependency treatment and/or detoxification, please complete the patient origin sheet pertaining to Psychiatric and Substance Abuse Services. If your facility has a Nursing Facility unit and/or Adult Care Bed unit please complete the supplemental packet for Skilled Nursing Facility beds.

Licensed Acute Care (provide details below) *Campus* _____	**Licensed Beds as of September 30, 2012**	**Staffed Beds as of September 30, 2012**	**Annual Census Inpt. Days of Care**
Intensive Care Units			
1. General Acute Care Beds/Days			
a. Burn *			*
b. Cardiac			
c. Cardiovascular Surgery			
d. Medical/Surgical	6	6	1,491
e. Neonatal Beds Level IV ** (Not Normal Newborn)			**
f. Pediatric			
g. Respiratory Pulmonary			
h. Other (List)			
Other Units			
i. Gynecology			
j. Medical/Surgical ***	80	80	***23,781
k. Neonatal Level III ** (Not Normal Newborn)	8	8	**1,021
l. Neonatal Level II ** (Not Normal Newborn)			**
m. Obstetric (including LDRP)	23	23	4,172
n. Oncology			
o. Orthopedics			
p. Pediatric			
q. Other (List)			
Total General Acute Care Beds/Days (a through q)	√ 117	117	30,465 √
2. Comprehensive In-Patient Rehabilitation	0		
3. Inpatient Hospice	0		
4. Detoxification	0		
5. Substance Abuse / Chemical Dependency Treatment	0		
6. Psychiatry	0		
7. Nursing Facility	0		
8. Adult Care Home	0		
9. Other	0		
10. Totals (1 through 9)	√ 117	117	30,465 √

* Please report only Census Days of Care of DRG's 927, 928, 929, 933, 934 and 935.
** Per C.O.N. rule definition. Refer to Section .1400 entitled Neonatal Services. (10A NCAC 14C)
*** Exclude Skilled Nursing swing-bed days. (See swing-bed information next page)

Ownership Disclosure *continued. . .*

3. Vice President of Nursing and Patient Care Services: Brenda Schooley, RN, Director of Nursing
4. Director of Planning: Chris Sullivan

Facility Data

A. Reporting Period All responses should pertain to the period **October 1, 2010 to September 30, 2011.**

B. General Information (Please fill in any blanks and make changes where necessary.)

a. Admissions to Licensed Acute Care Beds: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	7,921	
b. Discharges from Licensed Acute Care Beds: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	8,020	
c. Average Daily Census: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	81.6	
d. Was there a permanent change in the total number of licensed beds during the reporting period?	Yes: X	No:
If 'Yes', what is the current number of licensed beds?	117*	
If 'Yes', please state reason(s) (such as additions, alterations, or conversions) which may have affected the change in bed complement:		
e. Observations: Number of patients in observation status and not admitted as inpatients, excluding Emergency Department patients.	1,718	

C. Designation and Accreditation

1. Are you a designated trauma center? ____ Yes (____ Designated Level #) X No
2. Are you a critical access hospital (CAH)? ____ Yes X No
3. Are you a long term care hospital (LTCH)? ____ Yes X No
4. Is this facility TJC accredited? X Yes ~~X~~ No Expiration Date: 5/18/14
5. Is this facility DNV accredited? ____ Yes X No Expiration Date: ____
6. Is this facility AOA accredited? ____ Yes X No Expiration Date: ____
7. Are you a Medicare deemed provider? X Yes ____ No

* Finalizing construction section for approval of beds and sending to licensure division. Expecting revised license in 30 days.

D. Beds by Service (Inpatient – Do Not Include Observation Beds or Days of Care)

[Please provide a Beds by Service (p. 4) for each hospital campus (see *G.S. 131E-176(2c)*)]

Please indicate below the number of beds usually assigned (set up and staffed for use) to each of the following services and the number of census inpatient days of care rendered in each unit. NOTE: If your facility has a designated unit(s) for chemical dependency treatment and/or detoxification, please complete the patient origin sheet pertaining to Psychiatric and Substance Abuse Services. If your facility has a Nursing Facility unit and/or Adult Care Bed unit please complete the supplemental packet for Skilled Nursing Facility beds.

Licensed Acute Care (provide details below) *Campus* _____	**Licensed Beds as of September 30, 2011**	**Staffed Beds as of September 30, 2011**	**Annual Census Inpt. Days of Care**
Intensive Care Units			
1. General Acute Care Beds/Days			
a. Burn *			*
b. Cardiac			
c. Cardiovascular Surgery			
d. Medical/Surgical	6	6	1674
e. Neonatal Beds Level IV ** (Not Normal Newborn)			**
f. Pediatric			
g. Respiratory Pulmonary			
h. Other (List)			
Other Units			
i. Gynecology			
j. Medical/Surgical ***	80	80	*** 24,626
k. Neonatal Level III ** (Not Normal Newborn)	8	8	** 1,259
l. Neonatal Level II ** (Not Normal Newborn)			**
m. Obstetric (including LDRP)	23	23	4,502
n. Oncology			
o. Orthopedics			
p. Pediatric			
q. Other (List)			
Total General Acute Care Beds/Days (a through q)	117 ~~114~~	117	32,061
2. Comprehensive In-Patient Rehabilitation	0		
3. Inpatient Hospice	0		
4. Detoxification	0		
5. Substance Abuse / Chemical Dependency Treatment	0		
6. Psychiatry	0		
7. Nursing Facility	0		
8. Adult Care Home	0		
9. Other	0		
10. Totals (1 through 9)	117 ~~114~~	117	32,061

* Please report only Census Days of Care of DRG's 927, 928, 929, 933, 934 and 935.
** Per C.O.N. rule definition. Refer to Section .1400 entitled Neonatal Services. (10A NCAC 14C)
*** Exclude Skilled Nursing swing-bed days. (See swing-bed information next page)

Ownership Disclosure *continued. . .*

3. Vice President of Nursing and Patient Care Services: Brenda Schooley, RN, Director of Nursing, Presbyterian Hospital Matthews
4. Director of Planning: Chris Sullivan

Facility Data

A. Reporting Period All responses should pertain to the period **October 1, 2009 to September 30, 2010.**

B. General Information (Please fill in any blanks and make changes where necessary.)

a. Admissions to Licensed Acute Care Beds: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	8,053	
b. Discharges from Licensed Acute Care Beds: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	8,751	
c. Average Daily Census: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	92.2	
d. Was there a permanent change in the total number of licensed beds during the reporting period?	Yes: X	No:
If 'Yes', what is the current number of licensed beds?	114*	
If 'Yes', please state reason(s) (such as additions, alterations, or conversions) which may have affected the change in bed complement:		
e. Observations: Number of patients in observation status and not admitted as inpatients, excluding Emergency Department patients.	1,408	

C. Designation and Accreditation

1. Are you a designated trauma center? ____ Yes (____ Designated Level #) X No
2. Are you a critical access hospital (CAH)? ____ Yes X No
3. Are you a long term care hospital (LTCH)? ____ Yes X No
4. Is this facility TJC accredited? X Yes ____ No Expiration Date: 8/22/11
5. Is this facility DNV accredited? ____ Yes X No Expiration Date: ____
6. Is this facility AOA accredited? ____ Yes X No Expiration Date: ____
7. Are you a Medicare deemed provider? ✓ Yes ____ No

*granted 12 additional beds from State on 10/16/09.

D. Beds by Service (Inpatient – Do Not Include Observation Beds or Days of Care)

[Please provide a Beds by Service (p. 4) for each hospital campus (see *G.S. 131E-176(2c)*)]

Please indicate below the number of beds usually assigned (set up and staffed for use) to each of the following services and the number of census inpatient days of care rendered in each unit. NOTE: If your facility has a designated unit(s) for chemical dependency treatment and/or detoxification, please complete the patient origin sheet pertaining to Psychiatric and Substance Abuse Services. If your facility has a Nursing Facility unit and/or Adult Care Bed unit please complete the supplemental packet for Skilled Nursing Facility beds.

Licensed Acute Care (provide details below) *Campus* _____	**Licensed Beds as of September 30, 2010**	**Staffed Beds as of September 30, 2010**	**Annual Census Inpt. Days of Care**
Intensive Care Units			
a. Burn *			*
b. Cardiac			
c. Cardiovascular Surgery			
d. Medical/Surgical	10	10	1539
e. Neonatal Beds Level IV ** (Not Normal Newborn)			**
f. Pediatric			
g. Respiratory Pulmonary			
h. Other (List)			
Other Units			
i. Gynecology			
j. Medical/Surgical ***	77	77	***26,018
k. Neonatal Level III ** (Not Normal Newborn)	8	8	** 1217
l. Neonatal Level II ** (Not Normal Newborn)			**
m. Obstetric (including LDRP)	23	23	4888
n. Oncology			
o. Orthopedics			
p. Pediatric			
q. Other (List)			
1. Total General Acute Care Beds/Days (a through q)	**114**	114	33,1402
2. Comprehensive In-Patient Rehabilitation	0		
3. Inpatient Hospice	0		
4. Detoxification	0		
5. Substance Abuse / Chemical Dependency Treatment	0		
6. Psychiatry	0		
7. Nursing Facility	0		
8. Adult Care Home	0		
9. Other	0		
10. Totals (1 through 9)	**114**	114	33,1402

* Please report only Census Days of Care of DRG's 927, 928, 929, 933, 934 and 935.
** Per C.O.N. rule definition. Refer to Section .1400 entitled Neonatal Services. (10A NCAC 14C)
*** Exclude Skilled Nursing swing-bed days. (See swing-bed information next page)

Ownership Disclosure *continued. . . .*

3. Vice President of Nursing and Patient Care Services: Brenda Schooley, RN, MSN, Director of Nursing Presbyterian Hospital Matthews
4. Director of Planning: Chris Sullivan

Facility Data

A. Reporting Period All responses should pertain to the period **October 1, 2008 to September 30, 2009.**

B. General Information (Please fill in any blanks and make changes where necessary.)

a. Admissions to Licensed Acute Care Beds: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	7,928	
b. Discharges from Licensed Acute Care Beds: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	8,018	
c. Average Daily Census: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	90.0	
d. Was there a permanent change in the total number of licensed beds during the reporting period?	Yes	No X
If 'Yes', what is the current number of licensed beds?		
If 'Yes', please state reason(s) (such as additions, alterations, or conversions) which may have affected the change in bed complement:		
e. Observations: Number of patients in observation status and not admitted as inpatients, excluding Emergency Department patients.	1,733	

C. Designation and Accreditation

1. Are you a designated trauma center? ___ Yes (___ Designated Level #) ✓ No
2. Are you a critical access hospital (CAH)? ___ Yes ✓ No
3. Are you a long term care hospital (LTCH)? ___ Yes ✓ No
4. If this facility is accredited by the Joint Commission or AOA, specify the accrediting body TJC and indicate the date of the last survey 8/22/08.

D. Beds by Service (Inpatient – Do Not Include Observation Beds or Days of Care)

[Please provide a Beds by Service (p. 4) for each hospital campus (see *G.S. 131E-176(2c)*)]

Please indicate below the number of beds usually assigned (set up and staffed for use) to each of the following services and the number of census inpatient days of care rendered in each unit. NOTE: If your facility has a designated unit(s) for chemical dependency treatment and/or detoxification, please complete the patient origin sheet pertaining to Psychiatric and Substance Abuse Services. If your facility has a Nursing Facility unit and/or Adult Care Bed unit please complete the supplemental packet for Skilled Nursing Facility beds.

Licensed Acute Care (provide details below) *Campus* _____	**Licensed Beds as of September 30, 2009**	**Staffed Beds as of September 30, 2009**	**Annual Census Inpt. Days of Care**
Intensive Care Units			
a. Burn *			*
b. Cardiac			
c. Cardiovascular Surgery			
d. Medical/Surgical	10	10	1,504
e. Neonatal Beds Level IV ** (Not Normal Newborn)			**
f. Pediatric			
g. Respiratory Pulmonary			
h. Other (List)			
Other Units			
i. Gynecology			
j. Medical/Surgical ***	65	65	***25,590
k. Neonatal Level III ** (Not Normal Newborn)	8	8	** 1,014
l. Neonatal Level II ** (Not Normal Newborn)			**
m. Obstetric (including LDRP)	23	23	4,685
n. Oncology			
o. Orthopedics			
p. Pediatric			
q. Other (List)			
1. Total General Acute Care Beds/Days (a through q)	**102**	102	32,833
2. Comprehensive In-Patient Rehabilitation	0		
3. Inpatient Hospice	0		
4. Detoxification	0		
5. Substance Abuse / Chemical Dependency Treatment	0		
6. Psychiatry	0		
7. Nursing Facility	0		
8. Adult Care Home	0		
9. Other	0		
10. Totals (1 through 9)	**102**	102	32,833

* Please report only Census Days of Care of DRG's 927, 928, 929, 933, 934 and 935.
** Per C.O.N. rule definition. Refer to Section .1400 entitled Neonatal Services. (10A NCAC 14C)
*** Exclude Skilled Nursing swing-bed days. (See swing-bed information next page)

Ownership Disclosure *continued. . . .*

3. Vice President of Nursing and Patient Care Services: Paula Vincent SVP, CNO
4. Director of Planning: Chris Sullivan

Facility Data

A. Reporting Period All responses should pertain to the period **October 1, 2007 to September 30, 2008.**

B. General Information (Please fill in any blanks and make changes where necessary.)

a. Admissions to Licensed Acute Care Beds: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	7,675	
b. Discharges from Licensed Acute Care Beds: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	7,760	
c. Average Daily Census: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	85.8	
d. Was there a permanent change in the total number of licensed beds during the reporting period?	Yes	No X
If 'Yes', what is the current number of licensed beds?		
If 'Yes', please state reason(s) (such as additions, alterations, or conversions) which may have affected the change in bed complement:		
e. Observations: Number of patients in observation status and not admitted as inpatients, excluding Emergency Department patients.	1317	

C. Designation and Accreditation

1. Are you a designated trauma center? ____ Yes (____ Designated Level #) ✓ No
2. Are you a critical access hospital (CAH)? ____ Yes ✓ No
3. Are you a long term care hospital (LTCH)? ____ Yes ✓ No
4. If this facility is accredited by the Joint Commission or AOA, specify the accrediting body JCAHO and indicate the date of the last survey 8/22/08.

D. Beds by Service (Inpatient – Do Not Include Observation Beds or Days of Care)

[Please provide a Beds by Service (p. 4) for each hospital campus *(see G.S. 131E-176(2c))*]

Please indicate below the number of beds usually assigned (set up and staffed for use) to each of the following services and the number of census inpatient days of care rendered in each unit. NOTE: If your facility has a designated unit(s) for chemical dependency treatment and/or detoxification, please complete the patient origin sheet pertaining to Psychiatric and Substance Abuse Services. If your facility has a Nursing Facility unit and/or Adult Care Bed unit please complete the supplemental packet for Skilled Nursing Facility beds.

Licensed Acute Care (provide details below) *Campus* Presbyterian Hospital Matthews	**Licensed Beds as of September 30, 2008**	**Staffed Beds as of September 30, 2008**	**Annual Census Inpt. Days of Care**
Intensive Care Units			
a. Burn *			*
b. Cardiac			
c. Cardiovascular Surgery			
d. Medical/Surgical	6	6	1,468
e. Neonatal Beds Level IV ** (Not Normal Newborn)			**
f. Pediatric			
g. Respiratory Pulmonary			
h. Other (List)			
Other Units			
i. Gynecology			
j. Medical/Surgical ***	55	55	*** 22,853
k. Neonatal Level III ** (Not Normal Newborn)	8	8	** 1,324
l. Neonatal Level II ** (Not Normal Newborn)			**
m. Obstetric (including LDRP)	23	23	4,883
n. Oncology			
o. Orthopedics			
p. Pediatric	10	10	890
q. Other (List)			
1. Total General Acute Care Beds/Days (a through q)	**102**	102	31,418
2. Comprehensive In-Patient Rehabilitation	0		
3. Inpatient Hospice	0		
4. Detoxification	0		
5. Substance Abuse / Chemical Dependency Treatment	0		
6. Psychiatry	0		
7. Nursing Facility	0		
8. Adult Care Home	0		
9. Other	0		
10. Totals (1 through 9)	**102**	102	31,418

* Please report only Census Days of Care of DRG's 504, 505, 506, 507, 508, 509, 510 and 511.
** Per C.O.N. rule definition. Refer to Section .1400 entitled Neonatal Services. (10A NCAC 14C)
*** Exclude Skilled Nursing swing-bed days. (See swing-bed information next page)

Ownership Disclosure *continued. . . .*

3. Vice President of Nursing and Patient Care Services: Paula Vincent, RN, MSN
4. Director of Planning: Chris. Sullivan

Facility Data

A. Reporting Period All responses should pertain to the period **October 1, 2006 to September 30, 2007.**

B. General Information (Please fill in any blanks and make changes where necessary.)

a. Admissions to Licensed Acute Care Beds: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	7350	
b. Discharges from Licensed Acute Care Beds: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	7417	
c. Average Daily Census: **include responses to "a – q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	76.3	
d. Was there a permanent change in the total number of licensed beds during the reporting period?	Yes	No X
If 'Yes', what is the current number of licensed beds?		
If 'Yes', please state reason(s) (such as additions, alterations, or conversions) which may have affected the change in bed complement:		
e. Observations: Number of patients in observation status and not admitted as inpatients, excluding Emergency Department patients.	2301	

C. Designation and Accreditation

1. Are you a designated trauma center? ____ Yes X No
2. Are you a critical access hospital (CAH)? ____ Yes X No
3. Are you a long term care hospital (LTCH)? ____ Yes X No
4. If this facility is accredited by the Joint Commission or AOA, specify the accrediting body _____ and indicate the date of the last survey 6 / 25 / 05

D. Beds by Service (Inpatient – Do Not Include Observation Beds or Days of Care)

[Please provide a Beds by Service (p. 4) for each hospital campus (see *G.S. 131E-176(2c)*)]

Please indicate below the number of beds usually assigned (set up and staffed for use) to each of the following services and the number of census inpatient days of care rendered in each unit. NOTE: If your facility has a designated unit(s) for chemical dependency treatment and/or detoxification, please complete the patient origin sheet pertaining to Psychiatric and Substance Abuse Services. If your facility has a Nursing Facility unit and/or Adult Care Bed unit please complete the supplemental packet for Skilled Nursing Facility beds.

Licensed Acute Care (provide details below) *Campus* Presbyterian Hospital - Matthews	**Licensed Beds as of September 30, 2007**	**Staffed Beds as of September 30, 2007**	**Annual Census Inpt. Days of Care**
Intensive Care Units			
a. Burn *			*
b. Cardiac			
c. Cardiovascular Surgery			
d. Medical/Surgical	6	6	904
e. Neonatal Beds Level IV ** (Not Normal Newborn)			**
f. Pediatric			
g. Respiratory Pulmonary			
h. Other (List)			
Other Units			
i. Gynecology			
j. Medical/Surgical ***	55	55	*** 20308
k. Neonatal Level III ** (Not Normal Newborn)	8	8	** 1014
l. Neonatal Level II ** (Not Normal Newborn)			**
m. Obstetric (including LDRP)	23	23	4671
n. Oncology			
o. Orthopedics			
p. Pediatric	10	10	1040
q. Other (List)			
1. Total General Acute Care Beds/Days (a through q)	**102**	102	27857
2. Comprehensive In-Patient Rehabilitation	0		
3. Inpatient Hospice	0		
4. Detoxification	0		
5. Substance Abuse / Chemical Dependency Treatment	0		
6. Psychiatry	0		
7. Nursing Facility	0		
8. Adult Care (Home for the Aged)	0		
9. Other	0		
10. Totals (1 through 9)	**102**	102	27857

* Please report only Census Days of Care of DRG's 504, 505, 506, 507, 508, 509, 510 and 511.
** Per C.O.N. rule definition. Refer to Section .1400 entitled Neonatal Services. (10A NCAC 14C)
*** Exclude Skilled Nursing swing-bed days. (See swing-bed information next page)

Ownership Disclosure *continued. . . .*

3. Vice President of Nursing and Patient Care Services: _____

4. Director of Planning: _____

Facility Data

A. Reporting Period All responses should pertain to the period **October 1, 2005 to September 30, 2006**. If otherwise, please indicate reporting period: _____

B. General Information (Please fill in any blanks and make changes where necessary.)

a. Admissions to Licensed Acute Care Beds: **include responses to "a – r" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	6,807	
b. Discharges from Licensed Acute Care Beds: **include responses to "a – r" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	6,865	
c. Average Daily Census: **include responses to "a – r" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	71.4	
d. Was there a permanent change in the total number of licensed beds during the reporting period?	Yes	No ✓
If 'Yes', what is the current number of licensed beds?		
If 'Yes', please state reason(s) (such as additions, alterations, or conversions) which may have affected the change in bed complement:		
e. Observations: Number of patients in observation status and not admitted as inpatients, excluding Emergency Department patients.	2,310	

C. Designation and Accreditation

1. Are you a designated trauma center? ____ Yes ✓ No
2. Are you a critical access hospital (CAH)? ____ Yes ✓ No
3. Are you a long term care hospital (LTCH)? ____ Yes ✓ No
4. If this facility is accredited by JCAHO or AOA, specify the accrediting body JCAHO and indicate the date of the last survey 6 / 25 / 05.

All responses should pertain to **October 1, 2005 through September 30, 2006**. If otherwise, indicate the actual reporting period used on Page 3 of this document.

D. Beds by Service (Inpatient – Do Not Include Observation Beds or Days of Care)

[Please provide a Beds by Service (p. 4) for each hospital campus (*see G.S. 131E-176(2c)*)]

Please indicate below the number of beds usually assigned (set up and staffed for use) to each of the following services and the number of census inpatient days of care rendered in each unit. NOTE: If your facility has a designated unit(s) for chemical dependency treatment and/or detoxification, please complete the patient origin sheet pertaining to Psychiatric and Substance Abuse Services. If your facility has a Nursing Facility unit and/or Adult Care Bed unit please complete the supplemental packet for Skilled Nursing Facility beds.

Licensed Acute Care (provide details below) *Campus* _____	**Licensed Beds as of September 30, 2006**	**Staffed Beds as of September 30, 2006**	**Annual Census Inpt. Days of Care**
Intensive Care Units			
a. Burn *			*
b. Cardiac			
c. Cardiovascular Surgery			
d. Medical/Surgical	6	6	1,111
e. Neonatal Beds Level IV ** (Not Normal Newborn)			**
f. Pediatric			
g. Respiratory Pulmonary			
h. Other (List)			
Other Units			
i. Gynecology			
j. Medical/Surgical ***	59	59	*** 18,688
k. Neonatal Level III ** (Not Normal Newborn)	4	4	** 1,120
l. Neonatal Level II ** (Not Normal Newborn)			**
m. Obstetric (including LDRP)	23	23	4,180
n. Oncology			
o. Orthopedics			
p. Pediatric	10	10	978
q. Other (List) _____			
1. Total General Acute Care Beds (a through r)	**102**	102	26,077
2. Comprehensive In-Patient Rehabilitation	0		
3. Inpatient Hospice	0		
4. Detoxification	0		
5. Substance Abuse / Chemical Dependency Treatment	0		
6. Psychiatry	0		
7. Nursing Facility	0		
8. Adult Care (Home for the Aged)	0		
9. Other	0		
10. Totals (1 through 9)	**102**	102	26,077

* Please report only Census Days of Care of DRG's 504, 505, 506, 507, 508, 509, 510 and 511.
** Per C.O.N. rule definition. Refer to Section .1400 entitled Neonatal Services. (10A NCAC 14C)
*** Exclude swing-bed days. (See swing-bed information next page)

Ownership Disclosure *continued. . . .*

3. Vice President of Nursing and Patient Care Services: Paula R. Vincent, MSN

4. Director of Planning: Charles C. Sullivan

Facility Data

A. Reporting Period All responses should pertain to the period **October 1, 2004 to September 30, 2005.** If otherwise, please indicate reporting period: _____

B. General Information (Please fill in any blanks and make changes where necessary.)

a. Admissions to Licensed Acute Care Beds:	5,907	
b. Discharges from Licensed Acute Care Beds:	5,901	
c. Average Daily Census: **include responses to "a – r" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	61.19	
d. Was there a permanent change in the total number of licensed beds during the reporting period?	Yes	No X
If 'Yes', what is the current number of licensed beds?		
If 'Yes', please state reason(s) (such as additions, alterations, or conversions) which may have affected the change in bed complement:		
e. Observations: Number of patients in observation status and not admitted as inpatients, excluding Emergency Department patients.	3,222	

C. Designation and Accreditation

1. Are you a designated trauma center? ____ Yes X No
2. Are you a critical access hospital (CAH)? ____ Yes X No
3. Are you a long term care hospital (LTCH)? ____ Yes X No
4. If this facility is accredited by JCAHO or AOA, specify the accrediting body JCAHO and indicate the date of the last survey 06/20/05.

All responses should pertain to **October 1, 2004 through September 30, 2005**. If otherwise, indicate the actual reporting period used on Page 3 of this document.

D. Beds by Service (Inpatient – Do Not Include Observation Beds or Days of Care)

[Please provide a Beds by Service (p. 4) for each hospital campus *(see G.S. 131E-176(2c))*]

Please indicate below the number of beds usually assigned (set up and staffed for use) to each of the following services and the number of census inpatient days of care rendered in each unit. NOTE: If your facility has a designated unit(s) for chemical dependency treatment and/or detoxification, please complete the patient origin sheet pertaining to Psychiatric and Substance Abuse Services. If your facility has a Nursing Facility unit and/or Adult Care Bed unit please complete the supplemental packet for Skilled Nursing Facility beds.

Licensed Acute Care (provide details below) *Campus* Presbyterian Hospital Matthews	**Licensed Beds as of September 30, 2005**	**Staffed Beds as of September 30, 2005**	**Annual Census Inpt. Days of Care**
Intensive Care Units			
a. Burn *			*
b. Cardiac			
c. Cardiovascular Surgery			
d. Medical/Surgical	6	6	1,378
e. Neonatal Beds Level IV ** (Not Normal Newborn)			**
f. Pediatric			
g. Respiratory Pulmonary			
h. Other (List)			
Other Units			
i. Gynecology			
j. Medical/Surgical ***	77	77	*** 17,223
k. Monitored Telemetry			
l. Neonatal Level III ** (Not Normal Newborn)			**
m. Neonatal Level II ** (Not Normal Newborn)			**
n. Obstetric (including LDRP)	19	19	3,735
o. Oncology			
p. Orthopedics			
q. Pediatric			
r. Other (List)			
1. Total General Acute Care Beds (a through r)	**102**	102	22,336
2. Comprehensive In-Patient Rehabilitation	0		
3. Inpatient Hospice	0		
4. Detoxification	0		
5. Substance Abuse / Chemical Dependency Treatment	0		
6. Psychiatry	0		
7. Nursing Facility	0		
8. Adult Care (Home for the Aged)	0		
9. Other	0		
10. Totals (1 through 9)	**102**	102	22,336

* Please report only Census Days of Care of DRG's 504, 505, 506, 507, 508, 509, 510 and 511.
** Per C.O.N. rule definition. Refer to Section .1400 entitled Neonatal Services. (10A NCAC 14C)
*** Exclude swing-bed days. (See swing-bed information next page)

Ownership Disclosure *continued. . . .*

3. Vice President of Nursing and Patient Care Services: Kathleen F. Grew, RN, BSN, MS
4. Director of Planning: Paul W. Arrington

Facility Data

A. **Reporting Period** All responses should pertain to the period **October 1, 2003 to September 30, 2004.** If otherwise, please indicate reporting period: _____

B. **Bed Complement** (Please fill in any blanks and make changes where necessary.)

a. Admissions to Licensed Acute Care Beds:	5,597	
b. Discharges:	5,596	
c. Average Daily Census: **include responses to "a – r" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets.**	54.41	
d. Was there a permanent change in the total number of licensed beds during the reporting period?	Yes	No X
If 'Yes', what is the current number of licensed beds?		
If 'Yes', please state reason(s) (such as additions, alterations, or conversions) which may have affected the change in bed complement:		
e. Observations: Number of patients in observation status and not admitted as inpatients. Excluding Emergency Department patients	3,015	

C. **Designation and Accreditation**

1. Are you a designated trauma center? ____ Yes __X__ No
2. Are you a critical access hospital (CAH)? ____ Yes _X__ No
3. Are you a long term acute care hospital (LTACH)? ____ Yes _X__ No
4. If this facility is accredited by JCAHO or AOA, specify the accrediting body __JCAHO_____ and indicate the date of the last survey _09_ / _14_ / 2002

D. Beds by Service (Inpatient)

[Please provide a Beds by Service (p. 4) for each hospital campus (see G.S. 131E-176(2c))]

Please indicate below the number of beds usually assigned (set up and staffed for use) to each of the following services and the number of census patient days of care rendered in each unit. NOTE: If your facility has a designated unit(s) for chemical dependency treatment and/or detoxification, please complete the patient origin sheet pertaining to Psychiatric and Substance Abuse Services. If your facility has a Nursing Facility unit and/or Adult Care Bed unit please complete the supplemental packet for Skilled Nursing Facility beds.

Licensed Acute Care (provide details below) *Campus* _____	Licensed Beds as of September 30, 2004	Staffed Beds as of September 30, 2004	Annual Census Days of Care
Intensive Care Units			
a. Burn *			*
b. Cardiac			
c. Cardiovascular Surgery			
d. Medical/Surgical	6	6	1,285
e. Neonatal Beds Level IV ** (Not Normal Newborn)			**
f. Pediatric			
g. Respiratory Pulmonary			
h. Other (List)			
Other Units			
i. Gynecology			
j. Medical/Surgical ***	77	69	15,123
k. Monitored Telemetry			
l. Neonatal Level III ** (Not Normal Newborn)			**
m. Neonatal Level II ** (Not Normal Newborn)			**
n. Obstetric (including LDRP)	19	19	3,505
o. Oncology			
p. Orthopedics			
q. Pediatric			
r. Other (List)			
1. Total General Acute Care Beds (a through r)	**102**	**94**	**19,913**
2. Comprehensive In-Patient Rehabilitation			
3. Inpatient Hospice			
4. Detoxification			
5. Substance Abuse / Chemical Dependency Treatment			
6. Psychiatry			
7. Nursing Facility			
8. Adult Care (Home for the Aged)			
9. Other			
10. Totals (1 through 9)	**102**	**94**	**19,913**

* Please report only Census Days of Care of DRG's 504, 505, 506, 507, 508, 509, 510 and 511.
** Per C.O.N. rule definition. Refer to Section .1400 entitled Neonatal Services. (10A NCAC 14C)
*** Exclude swing-bed days. (See swing-bed information next page)

All responses should pertain to October 1, 2002 through September 30, 2003. If otherwise, indicate the actual reporting period used on Page 3 of this document.

D. Beds by Service (Inpatient)

[Please provide a Beds by Service (p. 4) for each hospital campus (see G.S. 131E-176(2c))]

Please indicate below the number of beds usually assigned (set up and staffed for use) to each of the following services and the number of census patient days of care rendered in each unit. NOTE: If your facility has a designated unit(s) for chemical dependency treatment and/or detoxification, please complete the patient origin sheet pertaining to Psychiatric and Substance Abuse Services. If your facility has a Nursing Facility unit and/or Adult Care Bed unit please complete the supplemental packet for Skilled Nursing Facility beds.

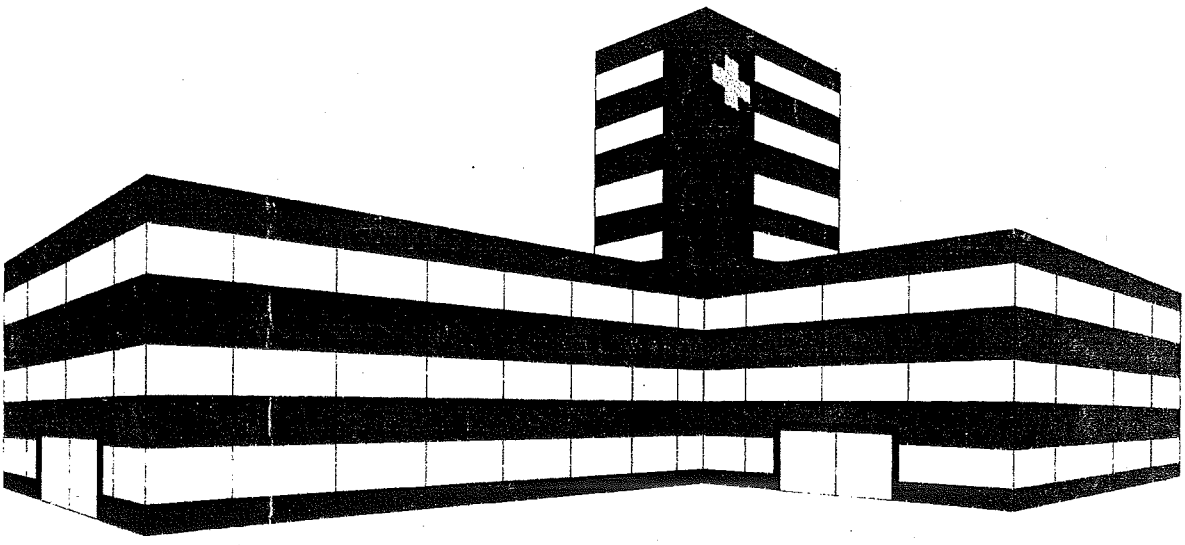
Licensed Acute Care (provide details below) *Campus* _____	**Licensed Beds as of September 30, 2003**	**Staffed Beds as of September 30, 2003**	**Annual Census Days of Care**
Intensive Care Units			
a. Burn *			*
b. Cardiac			
c. Cardiovascular Surgery			
d. Medical/Surgical	6	6	3,302
e. Neonatal Beds Level IV ** (Not Normal Newborn)			**
f. Pediatric			
g. Respiratory Pulmonary			
h. Other (List)			
Other Units			
i. Gynecology			
j. Medical/Surgical ***	77	69	15,091
k. Monitored Telemetry			
l. Neonatal Level III ** (Not Normal Newborn)			**
m. Neonatal Level II ** (Not Normal Newborn)			**
n. Obstetric (including LDRP)	19	19	1,392
o. Oncology			
p. Orthopedics			
q. Pediatric			
r. Other (List) _____			
1. Total General Acute Care Beds (a through r)	**102**	**94**	19,785
2. Comprehensive In-Patient Rehabilitation			
3. Inpatient Hospice			
4. Detoxification			
5. Substance Abuse / Chemical Dependency Treatment			
6. Psychiatry			
7. Nursing Facility			
8. Adult Care (Home for the Aged)			
9. Other			
10. Totals (1 through 9)	**102**	**94**	19,785

* Please report only Census Days of Care of DRG's 504, 505, 506, 507, 508, 509, 510 and 511.

** Per C.O.N. rule definition. Refer to Section .1400 entitled Neonatal Services. (10A NCAC 14C)) **(NOTE: Pursuant to approved CON project F-6118-99, the Hospital is staffing temporarily 22 additional ICN beds.)**

*** Exclude swing-bed days. (See swing-bed information next page)

The 1996 State Medical Facilities Plan



North Carolina State Health Coordinating Council
Medical Facilities Planning Section
Division of Facility Services
North Carolina Department of Human Resources

Table 5A. N. C. Acute Care Hospital Occupancy Rates 1990-1994*
(Italics/Bold Indicates Multi-Hospital Service Systems)

HSA	County	Hospital Service System	* BEDS 1994	OCCUPANCY RATES 1990	1991	1992	1993	1994	Target Ocup.
2	*Alamance*	***Alamance Regional***	***231***	***51.0***	***46.3***	***45.6***	***44.3***	***41.0***	***80.0***
2	*Davidson*	***Community Gen./Thomasville***	***134***	***50***	***48.3***	***40.2***	***39.8***	***42.6***	
2	*Guilford*	***High Point Regional***	***300***	***63***	***63***	***58.2***	***57.9***	***68.1***	
	TOTAL		***434***	***58.7***	***58.4***	***52.6***	***52.1***	***60.2***	***78.3***
2	Davie	Davie County	81	29	33.5	31.3	32.8	22.6	70.0
2	*Forsyth*	***Forsyth Memorial***	***701***	***82***	***77.1***	***78.0***	***75.6***	***73.5***	
2	*Forsyth*	***Medical Park***	***136***	***41***	***40.6***	***30.6***	***27.2***	***21.1***	
2	*Forsyth*	***N. C. Baptist***	***698***	***76***	***80.3***	***77.9***	***75.9***	***73.6***	
	TOTAL		***1535***	***78.0***	***75.3***	***73.8***	***71.5***	***68.8***	***79.6***
2	Surry	Hugh Chatham Memorial	81	49	49.6	35.9	41.4	50.1	70.0
2	Davidson	Lexington Memorial	94	66	67.7	55.2	50.6	62.2	70.0
2	Yadkin	Hoots Memorial	46	32	25.5	20.7	18	12.0	65.0
2	Rockingham	Morehead Memorial	92	76	69.2	68.9	67.3	66.6	70.0
2	Rockingham	Annie Penn Memorial	110	66	64.7	61.4	55.1	55.2	75.0
2	*Guilford*	***Vencor***	***59***	***36***	***2.8***	***0.1***	***0.3***	***13.8***	
2	*Guilford*	***Moses H. Cone Memorial***	***590***	***73***	***74***	***73.6***	***73.5***	***71.7***	
2	*Guilford*	***Wesley Long Community***	***303***	***54***	***54.5***	***52.5***	***48.8***	***43.3***	
	TOTAL		***952***	***64.27***	***63.4***	***62.3***	***61***	***59.1***	***79.3***
2	Surry	Northern Hospital of Surry County	124	52	57.3	51.5	43.2	42.2	75.0
2	Randolph	Randolph Hospital	145	45	45.6	37.7	38.8	39.8	75.0
2	Stokes	Stokes-Reynolds Memorial	64	38	56.3	24.2	25.2	23.4	70.0
3	Cabarrus	Cabarrus Memorial	447	52	59	50.5	50.9	57.1	80.0
3	*Mecklenburg*	***Presbyterian Matthews***	***102***	*–*	*–*	*–*	*–*	***0.1***	
3	*Mecklenburg*	***Presbyterian Orthopaedic***	***140***	***24***	***23***	***18.6***	***18.3***	***25.4***	
3	*Mecklenburg*	***Presbyterian Specialty***	***15***	***16***	***15.3***	***11.8***	***10.2***	***34.1***	
3	*Mecklenburg*	***Presbyterian***	***516***	***80***	***79***	***75.4***	***70.2***	***78.2***	
3	*Mecklenburg*	***Mercy***	***393***	***47***	***47.3***	***54.2***	***36.5***	***36.1***	
3	*Mecklenburg*	***Carolinas Medical Center***	***777***	***80***	***84.5***	***78.4***	***75.8***	***71.6***	
3	*Mecklenburg*	***University***	***130***	***33***	***46.7***	***40.2***	***39.5***	***37.2***	
	TOTAL		***2073***	***66.4***	***66.4***	***63.9***	***58.1***	***57.5***	***80.0***
3	*Iredell*	***Davis Community***	***120***	***54***	***48.9***	***46.5***	***42***	***43.1***	
3	*Iredell*	***Iredell Memorial***	***199***	***66***	***70.6***	***67.0***	***65.1***	***65.4***	
	TOTAL		***319***	***61.0***	***62***	***58.8***	***56.4***	***57.1***	***75.0***
3	Iredell	Lake Norman Regional Medical Ctr.	111	65	37.5	37.9	40.1	38.1	75.0
3	Gaston	Gaston Memorial	372	73	70.8	70.2	65.8	63.5	80.0
3	Lincoln	Lincoln County	101	46	45.6	44.3	40.8	42.8	75.0
3	Rowan	Rowan Memorial	266	53	48.7	47.8	45.8	45.2	80.0
3	Stanly	Stanly Memorial	107	59	57.5	49.7	45.9	43.4	75.0
3	Union	Union Memorial	160	60	42.9	41.3	38.3	38.9	75.0

*** Beds and rates exclude psychiatry, substance abuse, long-term care, rehabilitation, hospice and dedicated clinical research units.**

North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

September 30, 2013

Ronald T. Eller
3600 Country Club Road, Suite 102
Winston-Salem, NC 27104

Acknowledgement of Receipt of Progress Report and Next Progress Report Due

Project I.D. #:	F-8437-09
Facility:	Presbyterian Hospital Matthews
Project Description:	Add 20 new acute care beds for a total of 134 beds upon completion of this project
County:	Mecklenburg
FID #:	100530

Dear Ms. MacFadden:

Thank you for your progress report dated September 10, 2013 on the above referenced project. Your next progress report will be due no later than January 17, 2014.

Please notify the Project Analyst as soon as possible if:

1. Development of the project may be delayed by more than three months; and/or
2. The total capital expenditure may exceed more than 115 percent of the approved capital expenditure.

The certificate of need holder must submit a written request for a timetable extension and the request must be approved by the Certificate of Need Section. If the total capital expenditure will exceed 115 percent of the approved capital expenditure, a new certificate of need will be required for the cost overrun.

Please do not hesitate to contact me if you have any questions regarding this project.

Please refer to the Project I.D.# and Facility I.D.# (FID) in all correspondence.

Sincerely,

Fatimah Wilson

Fatimah Wilson, Project Analyst
Certificate of Need Section

Attachment

Certificate of Need Section
www.ncdhhs.gov
Telephone: 919-855-3873 • Fax: 919-733-8139
Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603
Mailing Address: 2704 Mail Service Center •Raleigh, NC 27699-2704
An Equal Opportunity/ Affirmative Action Employer

NOVANT HEALTH

Novant Health
2085 Frontis Plaza Drive
Winston-Salem, NC 27103

September 10, 2013

Ms. Fatimah Wilson, Project Analyst
North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, North Carolina 27699-2704

Re: Progress Report #6

Project I.D.# F-8437-09
Facility I.D.# 945076
Presbyterian Hospital Matthews shall add no more than 20 acute care beds for a total of 134 acute care beds, including 125 general acute care beds and 9 ICU beds. PHM may also develop up to 12 unlicensed observation beds/ Mecklenburg County.

Dear Ms. Wilson:

Enclosed is Progress Report # 6 for the Project I.D.# F-8437-09 for the addition of 20 acute care beds at Presbyterian Hospital Matthews . Please contact me if you need further information.

Additionally, please note we have moved our office and all correspondence on this project should be sent to me at 3600 Country Club Road, Suite 102, Winston-Salem, NC 27104.

Sincerely,

Ronald T. Eller

Senior Director, Design & Construction

RE/cw

cc: Barbara Freedy

CERTIFICATE OF NEED
PROGRESS REPORT FORM

County: Mecklenburg
Facility: Presbyterian Hospital Matthews
Project I.D. #: F-8437-09
Project Description: **Presbyterian Hospital Matthews shall add no more than 20 acute care beds for a total of 134 acute care beds, including 125 general acute care beds and 9 ICU beds. PHM may also develop up to 12 unlicensed observation beds/Mecklenburg County.**

Date of Progress Report: #6 9-10-13
Facility I.D. #: 945076
Effective Date of Certificate: April 30, 2010

A. Status of the Project

1) Describe in **detail** the steps taken to complete the project since the CON was issued or since the last progress report was submitted.

Project construction is complete and TCO granted by Mecklenburg County on August 30, 2013. DHSR Construction inspection took place on September 4, 2013 with first patient scheduled for September 27, 2013.

2) Describe any of the previously approved changes which will impact this project:
   a. Cost Overruns and/or Changes of Scope (Include the Project I.D. numbers);
   b. Material Compliance determinations; and
   c. Declaratory Rulings

3) If the project is not going to be developed exactly as approved, describe all differences between the project as approved and the project as currently proposed. Such changes include, but are not limited to, changes in the:

   a. Site;
   b. Design of the facility;
   c. Number or type of beds to be developed;
   d. Medical equipment to be acquired;
   e. Proposed charges; and
   f. Capital cost of the project.

4) Pursuant to G.S. 131E-181(d), the Certificate of Need (CON) Section cannot determine that a project is complete **until** *"the health service or the health service facility for which the certificate of need was issued is licensed and certified and in material compliance with the representations made in the certificate of need application."* To document that new or replacement facilities, new or additional beds or dialysis stations, new or replacement equipment or new services have been licensed and certified, provide copies of correspondence from the appropriate section within the Division of Health Service Regulation and the Centers for Medicare and Medicaid Services (CMS).

B. Timetable

1. Complete the following table. The first column **must** include the timetable dates found on the certificate of need. If the CON Section has authorized an extension of the timetable in writing, you may substitute the dates from that letter.

PROJECT MILESTONES	Projected completion date from certificate	Actual completion date	Proposed completion date*
	Month/day/year	Month/day/year	Month/day/year
Obtained funds for the project			
Final drawings and specifications sent to Construction, DHSR			
Final drawings approved by Construction, DHSR			
Acquisition of land/facility			
Construction contract executed	December 6,2010	April 1,2012	April 1,2012
25% completion of construction	March 1,2011	July 1,2012	July 1, 2012
50% completion of construction	June 1,2011	November 1,2012	November 1,2013
75% completion of construction	September 1,2011	March 1,2013	March 1, 2013
Completion of construction	December 1,2011	August 30,2013	September 1,2013
Ordering of medical equipment			
Operation of medical equipment			
Occupancy/offering of services	January 1, 2012		September 27,2013
Licensure			
Certification			

Proposed completion dates are contingent upon CON approval

2. If the project is experiencing delays in development, explain in detail the reasons for the delay.

C. Medical Equipment Projects – If the project involves the acquisition of any of the following equipment: 1) major medical equipment as defined in NCGS §131E-176(14f); 2) the specific equipment listed in NCGS §131-176(16); 3) equipment that creates an oncology treatment center as defined in NCGS §131-176(18a); or 4) equipment that creates a diagnostic center as defined in NCGS §131E-176(7a), provide the following information for each piece or unit of equipment: 1) manufacturer; 2) model; 3) serial number; and 4) date acquired.

D. Capital Expenditure

1. What is the total approved capital cost of the project indicated on the certificate of need? **$16,629,300**

2. Complete the table on the following page.

   a. Include all capital costs that have been paid to date as well as those that the applicant(s) are legally obligated to pay.

   b. If you have not already done so, provide copies of all executed contracts, including architect and engineering services (as applicable) and all final purchase orders for medical equipment costing more than $10,000 per unit.

   c. If the project involves renovation or construction, provide copies of the Contractors Application for Payment [AIA G702] with Schedule of Values [AIA G703].

	Capital Expense Since Last Report	Total Cumulative Capital Expenditure
Site Costs		
Purchase price of land		
Closing costs		
Site Inspection and Survey		
Legal fees		
Site preparation costs		$ 7,350
Other site costs (identify)		
Subtotal Site Costs		**$ 7,350**
Construction Contract		
Cost of materials		
Cost of Labor		
Other (Pay Apps)	$ 1,779,508	$12,581,705
Subtotal Construction Contract	**$ 1,779,508**	**$12,581,705**
Miscellaneous Costs		
Building purchase		
Fixed equipment purchase/lease	$ 200,082	$ 503,195
Moveable equipment purchase/lease	$ 215,472	$ 215,472
Furniture		
Landscaping		
Consultant fees	$ 25,497	$ 776,436
Financing costs		
Interest during construction		
Other miscellaneous costs (Specify)	$ 163,218	$ 270,669
Subtotal Miscellaneous Costs	**$ 604,269**	**$ 1,765,772**
Total	**$ 2,383,777**	**$14,354,827**

3. What do you project to be the remaining capital expenditure required to complete the project? **$2,274,473**

4. Will the total actual capital cost of the project exceed 115% of the approved capital expenditure on the certificate of need? If yes, explain the reasons for the difference. **No**

E. CERTIFICATION – The undersigned hereby certifies that the responses to the questions in this progress report and the attached documents are correct to the best of his or her knowledge and belief. In addition, I acknowledge that incomplete progress report forms **will not** be accepted and **must** be resubmitted upon notification from a CON Project Analyst.

Signature: _____

Name and Title Ronald T. Ellef, Senior Director, Corporate Design and Construction

Telephone Number 336/277-8681

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
2704 Mail Service Center ■ Raleigh, North Carolina 27699-2704

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

www.ncdhhs.gov/dhsr

Craig R. Smith, Section Chief
Phone: 919-855-3875
Fax: 919-733-8139

January 4, 2011

Fred M. Hargett, Senior VP
Financial Planning & Analysis
Novant Health, Inc.
200 Hawthorne Lane
Charlotte, NC 28204

RE: Development Complete/ Project I.D. #F-8132-08/ Presbyterian Medical Care Corporation, Inc. d/b/a Presbyterian Hospital Matthews/ Add 12 new acute care beds by renovating existing rooms for a total of 114 acute care beds/ Mecklenburg County
FID #945076

Dear Mr. Hargett:

On April 9, 2009, this Department issued a Certificate of Need pursuant to Chapter 131E, Article 9 of the General Statutes of North Carolina for the above-captioned project. The Certificate of Need Section has hereby determined that the development of the above referenced project is now complete. It was completed on January 3, 2011.

Please note that this determination does not absolve the holder of the certificate from materially complying with representations in the application concerning the operation of the facility. Nor does the determination of completeness absolve the holder of the certificate from complying with any applicable conditions still remaining on the certificate.

If you have any questions concerning this certificate of need, please feel free to contact me.

Please refer to the Project I.D. # and Facility I.D. # (FID) in all correspondence.

Sincerely,

Carol L. Hutchison, Project Analyst
Certificate of Need Section

CLH:mw

Hutchison, Carol

From: White, Cathy C [ccwhite@novanthealth.org]
Sent: Tuesday, December 28, 2010 11:51 AM
To: Hutchison, Carol
Cc: White, Cathy C
Subject: F-8132-08 Add 12 New Acute Care Beds
Importance: High
Attachments: PHM 12 Beds F-8132-08 PR-Close Out 11-23-09.pdf

Good Morning Carol!

I am sorry that I missed your call last week and I hope you had a good week off this week. I know it was well deserved and I am sure you were anxious to get started.

Attached is the document I left you a voicemail about this morning. This is showing as Progress Report #1 however; Section A indicates the project is complete and DHSR approved

re-commissioning the rooms on October 6, 2009. On the Financial page, Doug shows money spent and $0 needed to complete the project. Doug also included a copy of the DHSR letter from Marjorie Acker stating the project met the minimum construction requirements and had been forwarded to Licensure and Certification to use on October 6, 2009.

Please let me know if this provides you with the information you are looking for or if there is something else you need me to do. I will be glad to help in any way I can to get you the information or paperwork you need. Sorry we did not get you what you needed before now.

Thanks.

<<PHM 12 Beds F-8132-08 PR-Close Out 11-23-09.pdf>>

Cathy C. White

Supervisor

Corp Design & Const. Admin.

336-718-0780 (W)

336-277-7516 (eFax)

ccwhite@novanthealth.org

My **number one job responsibility** *is to provide a remarkable patient experience, in every dimension, every time.*

Novant HEALTH

Remarkable People. Remarkable Medicine.

November 23, 2009

Ms. Carol Hutchison, Project Analyst
North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
2704 Mail Service Center
Raleigh, North Carolina 27699-2704

Re: Progress Report #1

Project I.D. # F-8132-08
Facility I.D. # 945076
Add 12 new acute care beds by renovating existing rooms for a total of 114 acute care beds/Mecklenburg County

Dear Ms. Hutchison:

Enclosed is Progress Report # 1 for the Project I.D. # F-8132-08 for the 12 new acute care beds at Presbyterian Hospital Matthews. Please contact me if you need further information.

Sincerely,

Doug Armstrong
Director, Facilities Planning, Design & Construction

DA/kh

cc: Barbara Freedy
Laura MacFadden
Cathy C. White
Roland Bibeau

1980 S. Hawthorne Rd., Suite 200. | Winston-Salem, NC 27103 | 336-718-0725 |
www.novanthealth.org

CERTIFICATE OF NEED
PROGRESS REPORT / CLOSE OUT FORM

County: Mecklenburg
Facility: Presbyterian Hospital Matthews
Project I.D. #: F-8132-08
Project Description: **Add 12 new acute care beds by renovating existing rooms for a total of 114 acute care beds/ Mecklenburg County**

Date of Progress Report: November 23, 2009
Facility I.D. #: 945076
Effective Date of Certificate: April 9, 2009

A. Status of the Project:

The re-commissioning of the 12 beds at Presbyterian Hospital Matthews is to convert back 12 existing patient rooms that had been decommissioned previously to create new LDRP rooms and Intensive Care Nursery rooms. The 12 rooms were being used as observation rooms. Medical Gasses had been capped in these rooms as part of the decommissioning process. To re-commission these rooms the medical gasses were put back into service and recertified by the Hospital Engineering staff at no charge to the hospital. The Division of Health Service Regulation inspected these rooms, reviewed the documentation provided and approved the re-commissioning on October 6th, 2009.

B. Timetable

1. Complete the following table. The first column **must** include the timetable dates found on the certificate of need. If the CON Section has authorized an extension of the timetable in writing, you may substitute the dates from that letter.

PROJECT MILESTONES	Projected Completion Date from certificate	Actual completion date	Proposed completion date
	Month/day/year	Month/day/year	Month/day/year
Obtained Funds for the Project			
Final Drawings and Specifications Sent to DHSR	January 15, 2009	September 23, 2009	
Acquisition of land/facility			
Construction Contract Executed			
25% completion of construction	February 18, 2009		
50% completion of construction	March 1, 2009		
75% completion of construction			
Completion of construction	March 28, 2009		
Ordering of medical equipment			
Operation of medical equipment			
Occupancy/offering of services	April 1, 2009	October 6, 2009	
Licensure			
Certification	April 1, 2009	October 6, 2009	

2. If the project is experiencing significant delays in development:

The CON was not approved until April 9, 2009. The project proceeded immediately after the approval.

C. Medical Equipment Projects:
N/A

D. Capital Expenditure

1. Complete the following table.
   a. Include all capital costs that have been paid to date as well as those that the applicant(s) are legally obligated to pay.
   b. If you have not already done so, provide copies of the executed construction contracts, including the one for architect and engineering services, and all final purchase orders for medical equipment costing more than $10,000/unit.
   None required
   c. If the project involves renovation or construction, provide copies of the Contractors Application for Payment [AIA G702] with Schedule of Values [AIA G703].
   Did not need outside services.

	Capital Expense Since Last Report	Total Cumulative Capital Expenditure
Site Costs		
Purchase price of land		
Closing costs		
Legal Fees		
Site preparation costs		
Landscaping		
Other site costs (identify)		
Subtotal Site Costs		
Construction Costs		
Construction Contract		
Miscellaneous Costs		
Moveable Equipment		
Fixed Equipment		
Furniture		
Consultant Fees	$400.00	$400.00
Financing Costs		
Interest during Construction		
Other Misc. Costs DHSR Review Fees	$1,500.00	$1,500.00
Subtotal Misc. Costs		
Total Capital Cost of the Project	**$1,900.00**	**$1,900.00**

2. What do you project to be the remaining capital expenditure required to complete the project? $0

3. Will the total actual capital cost of the project exceed 115% of the approved capital expenditure on the certificate of need? If yes, explain the reasons for the difference.
   No

E. **CERTIFICATION** – The undersigned hereby certifies that the responses to the questions in this progress report and the attached documents are correct to the best of his or her knowledge and belief.

Signature of Officer:
Name and Title of Responsible Officer: Doug Armstrong, Director, Facilities Planning, Design & Construction
Telephone Number of Responsible Officer: 704-384-9826

STATE OF NORTH CAROLINA

Department of Health and Human Services
Division of Health Service Regulation

CERTIFICATE OF NEED

for
Project Identification Number #F-8132-08

FID #945076

ISSUED TO: Presbyterian Medical Care Corporation, Inc.
d/b/a Presbyterian Hospital Matthews
1500 Matthews Township Parkway
Matthews, NC 28105

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

SCOPE: Add 12 new acute care beds by renovating existing rooms for a total of 114 acute care beds/ Mecklenburg County

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: Presbyterian Hospital Matthews
1500 Matthews Township Parkway
Matthews, NC 28105

MAXIMUM CAPITAL EXPENDITURE: $569,152

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: October 1st, 2009

This certificate is effective as of the 9th day of April, 2009.

Greg B. Hoffman

Chief, Certificate of Need Section
Division of Health Service Regulation

CONDITIONS:

1. Presbyterian Hospital Matthews shall materially comply with all representations made in the certificate of need application.

2. Presbyterian Hospital Matthews shall develop no more than 12 additional acute care beds, upon completion of the project, Presbyterian Hospital Matthews shall be licensed for no more than 114 general acute care beds. The bed complement at PHM shall include 67 medical/surgical, 23 obstetric, 10 pediatric, 6 intensive care unit, and 8 neonatal level III beds.

3. Presbyterian Hospital Matthews shall not acquire, as part of this project, any equipment that is not included in the proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.

4. Presbyterian Hospital Matthews shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.

A letter acknowledging acceptance and compliance with all conditions stated in the conditional approval letter was received by the Certificate of Need Section on November 6, 2008.

TIMETABLE:

Completion of Final Drawings and Specifications	January 15, 2009
25% Completion of Construction	February 18, 2009
50% Completion of Construction	March 1, 2009
Completion of Construction	March 28, 2009
Occupancy/Offering of Service(s)	April 1, 2009
Certification of Beds	April 1, 2009

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Construction Section
2705 Mail Service Center ▪ Raleigh, North Carolina 27699-2705

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary
Jeff Horton, Acting Director

William L. Warren, Chief
Phone: 919-855-3893
Fax: 919-733-6592

October 8, 2009

Mr. Doug Armstrong (via e-mail only)
Facilities Planning & Construction
Presbyterian Healthcare
P.O. Box 33549
Charlotte, NC 28233-3549

RE: Project No. HL-8403-MA
FID No. 945076; CON No. F-8132-08
PRESBYTERIAN HOSPITAL – MATTHEWS
Licensed Bed Allocation
Matthews (Mecklenburg County)

Dear Mr. Armstrong:

We received all requested documents required for the 12-bed addition to Presbyterian Matthews on October 6, 2009. This letter is written to inform you that your project has met the minimum construction requirements and has been forwarded to the Licensure and Certification Section with a recommendation for use as of October 6, 2009.

Should you have any questions or need any further assistance, please call our office.

Sincerely,

Marjorie L. Acker
Consulting Architect
Construction Section
Marjorie.Acker@ncmail.net
(919) 855-3894

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Construction Section
2705 Mail Service Center ▪ Raleigh, North Carolina 27699-2705

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary
Jeff Horton, Acting Director

William L. Warren, Chief
Phone: 919-855-3893
Fax: 919-733-6592

October 8, 2009

Mr. Doug Armstrong (via e-mail only)
Facilities Planning & Construction
Presbyterian Healthcare
P.O. Box 33549
Charlotte, NC 28233-3549

RE: Project No. HL-8403-MA
FID No. 945076; CON No. F-8132-08
PRESBYTERIAN HOSPITAL – MATTHEWS
Licensed Bed Allocation
Matthews (Mecklenburg County)

Dear Mr. Armstrong:

We received all requested documents required for the 12-bed addition to Presbyterian Matthews on October 6, 2009. This letter is written to inform you that your project has met the minimum construction requirements and has been forwarded to the Licensure and Certification Section with a recommendation for use as of October 6, 2009.

Should you have any questions or need any further assistance, please call our office.

Sincerely,

Marjorie L. Acker
Consulting Architect
Construction Section
Marjorie.Acker@ncmail.net
(919) 855-3894

CONDITIONS:

1. Presbyterian Hospital Matthews shall materially comply with all representations made in the certificate of need application.

2. Presbyterian Hospital Matthews shall develop no more than 12 additional acute care beds, upon completion of the project, Presbyterian Hospital Matthews shall be licensed for no more than 114 general acute care beds. The bed complement at PHM shall include 67 medical/surgical, 23 obstetric, 10 pediatric, 6 intensive care unit, and 8 neonatal level III beds.

3. Presbyterian Hospital Matthews shall not acquire, as part of this project, any equipment that is not included in the proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.

4. Presbyterian Hospital Matthews shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.

A letter acknowledging acceptance and compliance with all conditions stated in the conditional approval letter was received by the Certificate of Need Section on November 6, 2008.

TIMETABLE:

Completion of Final Drawings and Specifications	January 15, 2009
25% Completion of Construction	February 18, 2009
50% Completion of Construction	March 1, 2009
Completion of Construction	March 28, 2009
Occupancy/Offering of Service(s)	April 1, 2009
Certification of Beds	April 1, 2009

Attachment II

REVISED Table 12b. Projected OB Patient Days for NHMMC

Calendar Years	Historical				Interim			Projected					
	2010	2011	2012	2013 (estimated)	CY 2014	CY 2015	CY 2016	PY1 CY 2017	PY2 CY 2018	PY3 CY 2019	PY5 CY 2020	PY6 CY 2021	Population CAGR
Mecklenburg Residents													
Mecklenburg Cty Women 15-44	216,338	218,269	222,899	227,237	229,975	232,745	235,549	238,387	241,259	244,165	247,106	250,083	1.20%
Mecklenburg Cty OB Use Rate	68.66	67.25	64.19	63.81	63.81	63.81	63.81	63.81	63.81	63.81	63.81	63.81	
Mecklenburg Residents Births	14,853	14,678	14,307	14,500	14,675	14,851	15,030	15,211	15,395	15,580	15,768	15,958	
Combined PHM and Carmel OB/GYN Inpatient Market Share			11.17%		11.17%	11.17%	11.17%	11.17%	11.17%	11.17%	11.17%	11.17%	
Currently and projected Future PHM Inpatient OB Cases, Mecklenburg Cty (including impact of Carmel OB/GYN)			1,598		1,639	1,659	1,679	1,699	1,720	1,740	1,761	1,782	
ALOS NHMMC				2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	
Projected PD					4,156	4,206	4,256	4,308	4,360	4,412	4,465	4,519	
Union Residents													
Union Cty Women 15-44	40,687	41,177	41,561	41,780	41,989	42,200	42,411	42,624	42,837	43,052	43,268	43,485	0.50%
Union Cty OB Use Rate	62.08	60.01	57.58	58.35	58.35	58.35	58.35	58.35	58.35	58.35	58.35	58.35	
Union Residents Births	2,526	2,471	2,393	2,438	2,450	2,462	2,475	2,487	2,500	2,512	2,525	2,537	
Combined PHM and Carmel OB/GYN Inpatient Market Share			46.02%	46.02%	46.02%	46.02%	46.02%	46.02%	46.02%	46.02%	46.02%	46.02%	
Currently and projected Future PHM Inpatient OB Cases, UnionCty (including impact of Carmel OB/GYN)			1,101		1,128	1,133	1,139	1,145	1,150	1,156	1,162	1,168	
ALOS NHMMC				2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	
Projected PD					2,859	2,873	2,887	2,902	2,916	2,931	2,946	2,960	
Projected NH Matthews Medical Center Obstetrical Patient Days and Bed Utilization													
Combined Mecklenburg and Union Obstetric Patient					2,767	2,792	2,818	2,844	2,870	2,896	2,923	2,950	
Combined Mecklenburg and Union Obstetric Patient Days					7,014	7,079	7,144	7,210	7,276	7,343	7,411	7,480	
Percent of OB From Other Counties, South Carolina at PHM/Carmel OB/GYN Combined					11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	
All Other Obstetrical Patients					363	366	369	373	376	380	383	387	
All Other Obstetrical Patient Day Volume					919	928	936	945	954	962	971	980	
All Other Obstetrical Patient Volume (ALOS 2.54)					363	366	369	373	376	380	383	387	
Total Projected OB Patient/Cases Volume					3,129	3,158	3,187	3,216	3,246	3,276	3,306	3,337	
Total Projected Future Other OB Patient Day Volume					7,934	8,006	8,080	8,154	8,230	8,306	8,382	8,460	
OB Days Shifted to Mint Hill										126	176	252	
OB Adjusted Patient Days					7,934	8,006	8,080	8,154	8,230	8,180	8,206	8,208	
ADC					21.7	21.9	22.1	22.3	22.5	22.4	22.5	22.5	
Projected LDRP Bed Capacity					23	23	23	30	30	30	30	30	
Projected LDRP Utilization					94.5%	95.4%	96.2%	74.5%	75.2%	74.7%	74.9%	75.0%	

REVISED Table 6. PHM OB Services Combined PHM and Carmel OB/GYN Patient Origin 2012

County	NHMMC	OB/GYN	Total	Percent
Mecklenburg	1,221	377	1,598	52.34%
Union	997	104	1,101	36.07%
All Other	235	119	354	11.59%
Total	2,453	600	3,053	100.00%