



**Comments on
MH Mission Hospital, LLLP's
Freestanding Emergency Department
Certificate of Need Application,
Project ID # B-12191-22**

March 31, 2022

**Written Comments on MH Mission Hospital LLLP's
Freestanding Emergency Department Certificate of Need Application, Project ID # B-12191-22**

submitted by

Henderson County Hospital Corporation d/b/a Margaret R. Pardee Memorial Hospital

In accordance with N.C. GEN. STAT. § 131E-185(a1)(1), Henderson County Hospital Corporation d/b/a Margaret R. Pardee Memorial Hospital (Pardee UNC Health Care or Pardee) hereby submits the following comments related to the application filed by MH Mission Hospital, LLLP (Mission) to develop a satellite freestanding emergency department (FSED or FSER) in Arden, North Carolina. Pardee'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 these comments, Pardee has organized its discussion by issue, specifically noting the general Certificate of Need (CON) statutory review criteria and specific regulatory criteria and standards creating the non-conformity relative to each issue, as they relate to Mission's application to develop a FSED to be known as Mission FSER, Project ID # B-12191-22.

By way of background, it is important to note that Mission filed an application to develop a FSED in Arden in 2021 (Project ID # B-12093-21). Mission's 2021 FSED application was subsequently denied and is currently under appeal. As detailed in the findings on Mission's 2021 FSED application, the application was denied in part because of the methodology presented in Mission's 2021 proposal.

Thereafter, Mission filed its proposal to develop Mission FSER – the subject of these comments – in February 2022. Also in February 2022, Mission filed a second application to develop a freestanding emergency department in Candler, Mission FSER West, Project ID # B-12192-22. Notably, Mission's FSER application utilizes the same service area, incremental market share growth rates, and patient shifts as Mission's 2021 FSED application. Moreover, Mission's concurrently filed FSER West application utilizes the same methodology as its Mission FSER application.

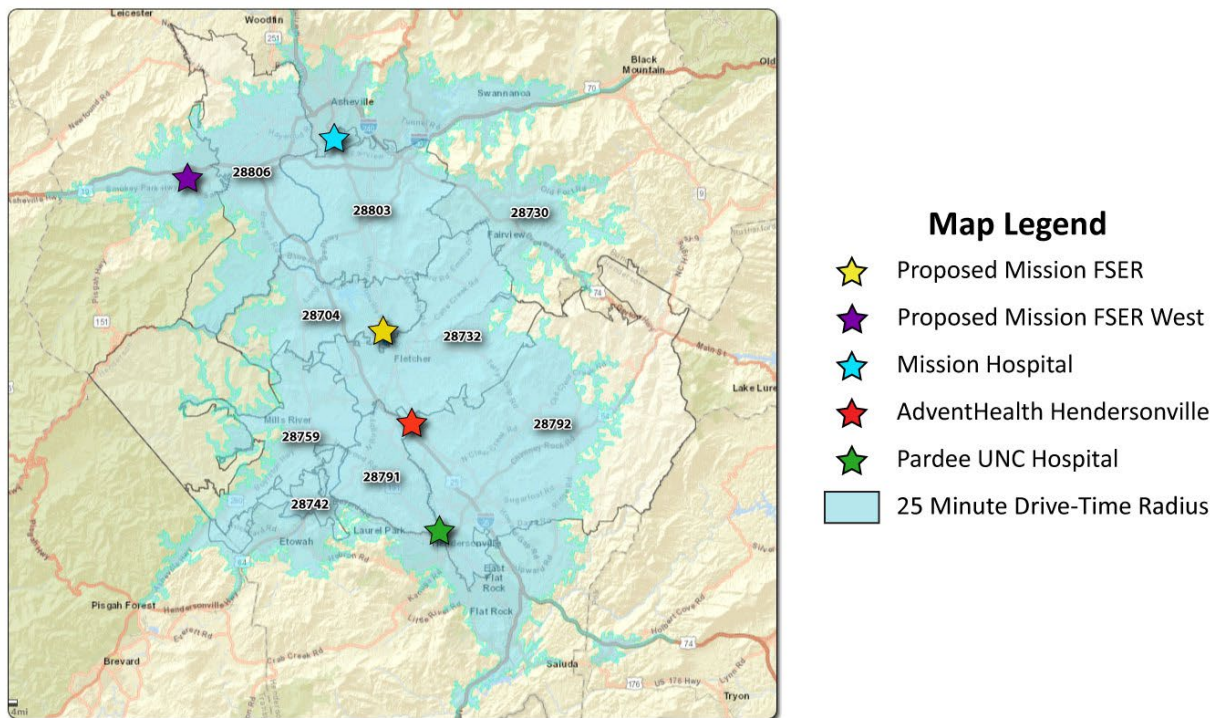
As detailed in the comments below, which include substantial issues that Pardee believes render Mission's FSER application non-conforming with applicable statutory and regulatory review criteria, there are several instances in which Mission failed to resolve or address various issues that led to findings of non-conformity relative to its 2021 FSED application. Given the similarities in methodologies and assumptions between Mission's concurrently filed applications and its 2021 FSED application, as well as Mission's failure to resolve or address various issues relative to its 2021 FSED application, Mission's FSER application (as well as its Mission FSER West application) should be found non-conforming for similar reasons and should be denied.

MH MISSION HOSPITAL, LLLP, DEVELOP A SATELLITE FREESTANDING EMERGENCY DEPARTMENT IN ARDEN, NORTH CAROLINA, PROJECT ID # F-12191-22

Issue-Specific Comments

1. The Mission FSER application fails to adequately demonstrate the need for the proposed project, in particular, as its proposed service area and patient origin are unreasonable.

Mission fails to demonstrate the reasonableness of the service area that it identifies for its proposed FSED. As illustrated below, the proposed service area for Mission FSER extends beyond a 25-minute drivetime from the proposed location (shown as a yellow star in the illustration below). Mission claims that the proposed service area for Mission FSER represents a subset of the ZIP codes that comprise its existing market for this service. Mission’s proposed service area is broken into a primary and secondary service area (PSA/SSA) – the PSA is comprised of six ZIP codes while the SSA is comprised of three ZIP codes. See the Mission application, page 44. Large portions of ZIP codes 28806, 28792, and 28742, which combined represent the proposed SSA, are located beyond a 25-minute drivetime as illustrated below. (Note: ZIP code boundaries are outlined in gray.)



Note: The proposed Mission FSER is located in ZIP code 28704 and the proposed Mission FSER West is located in 28715.

Notably, Mission projects that roughly 20 percent of patients to be served by the proposed FSED will originate from the three ZIP codes that comprise its proposed SSA, or roughly 2,000 visits per year through project year 3; however, Mission provides no evidence to support the reasonableness of such assumption. Moreover, there are two existing facilities – AdventHealth Hendersonville and Pardee – located within Mission’s proposed service area ZIP codes. Further, and as illustrated above, there are three existing facilities – Mission Hospital, AdventHealth

Hendersonville, and Pardee – as well as its concurrently filed application to develop a freestanding emergency department in Candler, Mission FSER West, Project ID # B-12192-22 – located within a 25-minute drivetime from the proposed location.

The reasonableness of Mission’s proposed service area and patient origin are further called into question by the fact that, in certain instances as illustrated in the table below, patients in the service area are closer to existing emergency departments located in Mission’s proposed service area relative to the location of the proposed FSED. The table below examines the distance and drivetimes to the existing emergency departments located in Mission’s proposed service area – AdventHealth Hendersonville and Pardee, as well as Mission Hospital.

Distance/Drivetime*

	<i>Mission FSER</i>		<i>Mission Hospital</i>		<i>AdventHealth Hendersonville</i>		<i>Pardee</i>	
	<i>Distance</i>	<i>Drivetime</i>	<i>Distance</i>	<i>Drivetime</i>	<i>Distance</i>	<i>Drivetime</i>	<i>Distance</i>	<i>Drivetime</i>
PSA Zip Codes								
28704	5.1 miles	11 min.	14.5 miles	21 min.	9.3 miles	18 min.	12.5 miles	20 min.
28730	12.0 miles	20 min	14.5 miles	24 min.	15.6 miles	28 min.	21.2 miles	36 min.
28732	4.8 miles	10 min.	13.0 miles	29 min.	5.1 miles	10 min.	10.4 miles	18 min.
28759	7.3 miles	16 min.	20.1 miles	28 min.	7.4 miles	15 min.	8.1 miles	14 min.
28791	9.2 miles	18 min.	22.7 miles	32 min.	4.9 miles	10 min.	4.5 miles	9 min.
28803	8.6 miles	20 min.	0.9 miles	4 min.	13.4 miles	30 min.	19.0 miles	38 min.
SSA Zip Codes								
28806	13.7 miles	29 min.	5.8 miles	16 min.	17.8 miles	33 min.	22.5 miles	39 min.
28792	12.0 miles	20 min.	19.9 miles	40 min.	9.3 miles	17 min.	10.4 miles	20 min.
28742	13.2 miles	30 min.	26.0 miles	40 min.	13.4 miles	27 min.	14.0 miles	27 min.

Source: Google Maps.

*Green highlight indicates closer than Mission FSER.

As illustrated above, in several instances, patients in Mission’s defined service area are closer to existing emergency departments relative to the location of the proposed Mission FSER. Further, as discussed below, existing emergency departments in Mission’s proposed service area as well as Mission Hospital have available capacity.

Based on the discussion above, Mission fails to demonstrate the need for the proposed project in accordance with Criterion 3. As such, the Mission FSER application is non-conforming with Criteria 1 and 3.

2. The Mission FSER application fails to adequately demonstrate the need for the proposed project.

As noted above, there are two existing emergency departments located in Mission’s proposed service area ZIP codes – AdventHealth Hendersonville and Pardee. Mission fails to demonstrate the need that patients have for the proposed FSED with 12 exam/treatment rooms given that existing emergency departments in its proposed service area, as well as Mission Hospital, have available capacity. As illustrated in the table below, based on ACEP standards, the existing number of emergency department rooms, and the number of 2021 emergency department visits, the proposed service area, combined with the existing capacity at Mission Hospital, currently has a **surplus of 10 emergency department rooms**. Such surplus increases to 22 emergency department rooms if the 12 exam/treatment rooms proposed by Mission in its Mission FSER application are included in the calculation below.

<i>Facility Name</i>	<i>2021 ED Visits</i>	<i>2021 ED Bays Needed Based on ACEP</i>	<i>2021 ED Bays Based on 2022 LRA</i>	<i>2021 Surplus/(Deficit)</i>
Mission FSER*				
Mission Hospital	98,818	81	94	13
AdventHealth Hendersonville	22,998	20	16	(4)
Pardee	24,867	20	21	1
Total	146,683	121	131	10

*Proposed to have 12 exam/treatment rooms.

As detailed above, there is available capacity, particularly in Buncombe County, and Mission has failed to adequately demonstrate the need for the proposed Mission FSER as proposed.

Moreover, as noted previously, Mission FSER is located within a 25-minute drivetime from Mission’s concurrently filed application to develop a freestanding emergency department in Candler, Mission FSER West, Project ID # B-12192-22. The proposed service area ZIP codes for Mission FSER West includes two existing emergency departments – Mission Hospital and Haywood Regional Medical Center. As illustrated in the table below, based on ACEP standards, the existing number of emergency department rooms, and the number of 2021 emergency department visits for facilities in the service areas proposed in Mission’s FSER and FSER West applications, the proposed service areas currently have a **surplus of seven emergency department rooms**. Such surplus increases to 31 emergency department rooms if the 24 exam/treatment rooms proposed by Mission in its Mission FSER and FSER West applications are included in the calculation below.

Facility Name	2021 ED Visits	2021 ED Bays Needed Based on ACEP	2021 ED Bays Based on 2022 LRA	2021 Surplus/(Deficit)
Mission FSER*				
Mission FSER West*				
Mission Hospital	98,818	81	94	13
AdventHealth Hendersonville	22,998	20	16	(4)
Pardee	24,867	20	21	1
Haywood	22,567	20	17	(3)
Total	169,250	141	148	7

*Proposed to have 12 exam/treatment rooms.

As detailed above, the service areas proposed in Mission’s concurrently filed FSED applications have available capacity, particularly in Buncombe County, and Mission has failed to adequately demonstrate the need for the proposed Mission FSER as proposed.

Please see additional discussion regarding unnecessary duplication relative to Criterion 6 below.

Based on the discussion above, Mission fails to demonstrate the need for the proposed project in accordance with Criterion 3. As such, the Mission FSER application is non-conforming with Criteria 1 and 3.

3. The Mission FSER application fails to adequately demonstrate the need for the proposed project, in particular, as its emergency department growth rates are overstated and unsupported.

Mission’s emergency department growth rates are overstated and unsupported. On page 54 of its application, Mission calculates its historical trend in emergency department volume as follows:

Figure 9

Year	ED Volume
2017	101,200
2018	101,859
2019	107,330
% Growth	6.1%
CAGR %	3.0%

Source: Mission Internal Data, 2017-2019

The volumes referenced on page 54 of Mission’s application (and excerpted above) do not match the volumes Mission provided in Form C.4a, which, by way of example, shows 104,401 visits in Federal Fiscal Year (FFY) 2019. Using 2017 to 2019 data (from Mission Hospital’s License Renewal Applications (LRAs) for 2018-2020), yields a compound annual growth rate (CAGR) of 1.4 percent.

Based on Form C.4, Mission projects Mission FSER to grow by 6.1 percent annually in 2026 and 2027. This is a rate of growth higher than its highest one-year growth over the last 10 years as shown in the table below.

<i>LRA Year</i>	<i>Exam Rooms</i>	<i>ED Visits</i>	<i>Change</i>	<i>ED Visits / Room</i>
2011	89	100,299		1,127
2012	56	99,656	-0.6%	1,780
2013	61	101,579	1.9%	1,665
2014	61	101,632	0.1%	1,666
2015	61	99,497	-2.1%	1,631
2016	61	96,208	-3.3%	1,577
2017	65	96,127	-0.1%	1,479
2018	65	101,629	5.7%	1,564
2019	65	102,245	0.6%	1,573
2020	65	104,401	2.1%	1,606
2021	94	95,085	-8.9%	1,012

Source: LRAs.

Overall, Mission expects its total emergency department volumes, including the proposed Mission FSER, to increase by 3.3 percent in 2025, 1.9 percent in 2026, and 1.9 percent in 2027. These figures are significantly higher than its corrected 2017 to 2019 CAGR of 1.4 percent. Given the lack of supporting documentation and/or evidence provided in Mission’s FSER application, Mission’s growth rates are overstated and unsupported.

The reasonableness of Mission’s growth rates in its Mission FSER application is further called into question by the fact that such growth rates are significantly higher than those proposed by Mission in its concurrently filed application to develop a FSED in Candler, Mission FSER West, Project ID # B-12192-22. While Mission projects Mission FSER to grow by 6.1 percent annually in 2026 and 2027, it projects Mission FSER West to grow by 2.7 percent annually in the same timeframe. In addition, in its Mission FSER application, Mission projects its total emergency department volumes, including the proposed Mission FSER, to increase by 3.3 percent in 2025, 1.9 percent in 2026, and 1.9 percent in 2027; however, in its Mission FSER West application, Mission projects its total emergency department volumes, including the proposed Mission FSER West, to increase by 1.6 percent in 2025, 1.5 percent in 2026, and 1.5 percent in 2027. Given the lack of supporting documentation and/or evidence provided in Mission’s FSER application, in particular, to address its significantly higher growth rates when compared to its concurrently filed Mission FSER West application, Mission’s growth rates in its Mission FSER application are overstated and unsupported.

Based on the discussion above, Mission fails to demonstrate the need for the proposed project in accordance with Criterion 3. As such, the Mission FSER application is non-conforming with Criteria 1 and 3.

4. The Mission FSER application fails to adequately demonstrate the need for the proposed project, in particular, as its incremental market share growth is unsupported.

Mission calculates incremental market share gains on pages 65 and 66 of its application. The Mission FSER application utilizes the exact same market share gains as Mission put forth in Project ID # B-12093-21.

Incremental Market Share Gains (Base Year to Project Year 3)

Zip Code	Current CON (B-12191-22)		Prior Year CON (B-12093-21)	
	Low Acuity	High Acuity	Low Acuity	High Acuity
28704	8.50%	4.20%	8.50%	4.20%
28730	6.00%	2.20%	6.00%	2.20%
28732	8.50%	2.20%	8.50%	2.20%
28759	3.50%	0.70%	3.50%	0.70%
28791	3.50%	0.70%	3.50%	0.70%
28803	1.75%	0.45%	1.75%	0.45%
28806	1.30%	0.45%	1.30%	0.45%
28792	2.00%	0.70%	2.00%	0.70%
28742	2.00%	0.70%	2.00%	0.70%

Notably, there was no additional discussion as to how the incremental market share gains were determined in Mission’s current application. Mission provides no underlying data to support the assumption beyond *“due to the presence of the proposed FSER and the increased access it will provide.”* As the Agency is no doubt aware, Project ID # B-12093-21 was denied in part because of this methodology. Per the findings on Project ID # B-12093-21, *“the applicant does not provide a reasonable basis for how it determined the incremental market share growth of 0.5% for low acuity patients and 0.1% for high acuity patients [from project year 2 to project year 3], other than stating ‘greater incremental market share in ZIP codes that are closer in proximity to the proposed FSER and lower incremental market in ZIP codes closer in proximity to Mission’s main ED or close to the other existing hospital EDs.’”* Given the similarity in this application, it should be denied for the same reason.

Based on the discussion above, Mission fails to demonstrate the need for the proposed project in accordance with Criterion 3. As such, the Mission FSER application is non-conforming with Criteria 1 and 3.

5. The Mission FSER application fails to adequately demonstrate the need for the proposed project, in particular, as its patient shifts are unsupported.

The Mission FSER application shifts patients from Mission Hospital to the proposed FSER without demonstrating the reasonableness of its assumptions. According to page 67 of its application, Mission assumed a higher percent shift for low acuity patients from service area ZIP codes to the FSER with the higher percentages coming from ZIP codes in closer proximity to the proposed FSER location. Mission also assumed a lower percent shift in high acuity patients to the proposed FSER, as these patients *“will continue to be primarily seen at the main hospital ED.”*

The Mission FSER application utilizes the exact same patient shift methodology, explanation, and percentages as Mission put forth in Project ID # B-12093-21.

Zip Code	Current CON (B-12191-22)		Prior Year CON (B-12093-21)	
	Low Acuity	High Acuity	Low Acuity	High Acuity
28704	80.0%	10.0%	80.0%	10.0%
28730	70.0%	7.0%	70.0%	7.0%
28732	80.0%	10.0%	80.0%	10.0%
28759	80.0%	10.0%	80.0%	10.0%
28791	80.0%	10.0%	80.0%	10.0%
28803	50.0%	5.0%	50.0%	5.0%
28806	25.0%	2.5%	25.0%	2.5%
28792	50.0%	5.0%	50.0%	5.0%
28742	50.0%	5.0%	50.0%	5.0%

Notably, there was no additional discussion as to how the shift percentages were determined in Mission’s current application. As the Agency is no doubt aware, Project ID # B-12093-21 was denied in part because of this methodology. Per the findings on Project ID # B-12093-21, *“the applicant does not provide a reasonable basis for the percent shift of ED volume from Mission to FSER, other than stating higher percentages coming from ZIP codes in closer proximity to the new facility.”* Given that the methodology was neither updated nor further explained, this application should be denied for the same reason.

Based on the discussion above, Mission fails to demonstrate the need for the proposed project in accordance with Criterion 3. As such, the Mission FSER application is non-conforming with Criteria 1 and 3.

6. The Mission FSER application fails to adequately demonstrate the need for the proposed project, in particular, as its projections by acuity are unsupported.

Mission proposes that its Mission FSER will serve both high acuity and low acuity patients. See page 58 of the Mission FSER application. As noted previously, the Mission FSER application utilizes the exact same patient shift methodology, explanation, and percentages as Mission put forth in Project ID # B-12093-21. While its current application does include additional detail – namely, data from two Tennessee markets in which HCA Tristar affiliates operate FSEDs – such data does not support the reasonableness of Mission’s projections by acuity as it purports. As illustrated in Figure 14 of Mission’s application (excerpted below), Mission proposes to serve the following percentages of high acuity patients at its proposed Mission FSER in project years 1, 2, and 3:

Figure 14
Comparison of Historical Mission and Projected FSED Average

	ED Visits		Percent Distribution	
	Low Acuity	High Acuity	Low Acuity	High Acuity
Historical Mission	34,588	66,913	34.1%	65.9%
Projected FSED - Yr 1	7,956	1,293	86.0%	14.0%
Projected FSED - Yr 2	8,467	1,347	86.3%	13.7%
Projected FSED - Yr 3	9,010	1,404	86.5%	13.5%

Source: Internal Data, 2021

The percentage of high acuity patients, which ranges from 13.5 percent 14.0 percent, is not commensurate with the experience of the Tennessee hospitals and FSEDs in the two Tennessee markets that Mission provides in Figure 15 of its application.

Figure 15

Comparison of ED Average Distribution of Visit Acuity for Host and FSEDs in TN		
	Percent Distribution	
	Low Acuity	High Acuity
<i>Chattanooga Market:</i>		
Host Hospital	91.1%	8.9%
FSED - New	92.8%	7.2%
<i>Nashville Market:</i>		
Host Hospital	84.7%	15.3%
FSED - Established	87.2%	12.8%
FSED - New	90.3%	9.7%

Source: Internal data HCA Tristar Hospitals, TN Hospital Association data

Notably, while the three FSEDs that Mission examined do serve both high acuity and low acuity patients, none of them – whether established or new FSEDs – propose to serve more than 13 percent high acuity patients. Moreover, the new FSEDs in the two Tennessee markets each serve less than 10 percent high acuity patients. As such, and contrary to Mission’s statements in its application, the additional data provided by Mission does not support the reasonableness of Mission’s projections by acuity.

Based on the discussion above, Mission fails to demonstrate the need for the proposed project in accordance with Criterion 3. As such, the Mission FSER application is non-conforming with Criteria 1 and 3.

7. The Mission FSER application fails to adequately demonstrate the need for the proposed project and the extent to which all residents of the area, including underserved groups, are likely to have access to the services proposed, in particular, as its payor mix is unsupported.

In both its current application and Project ID # B-12093-21, Mission utilized the same service area, incremental market share growth rates, and patient shift. These assumptions resulted in similar patient origin percentages for 2025 in both applications as illustrated in the table below:

	Current CON (B-12191-22)	Prior Year CON (B-12093-21)	Change
28704	22.4%	21.9%	0.5%
28730	8.8%	8.7%	0.1%
28732	11.6%	12.5%	-0.9%
28759	2.5%	2.8%	-0.3%
28791	3.1%	3.7%	-0.6%
28803	22.7%	22.6%	0.1%
28806	16.8%	15.6%	1.2%
28792	4.2%	4.4%	-0.2%
28742	0.4%	0.4%	0.0%
Other	7.5%	7.5%	0.0%
Total	100.0%	100.0%	0.0%

However, despite using the same methodology and having a very similar patient origin, Mission’s payor mix changed dramatically from Project ID # B-12093-21 to its current proposal as shown below:

	Current CON (B-12191-22)	Prior Year CON (B-12093-21)	Change
Self Pay	13.3%	14.5%	-1.2%
Charity	3.8%	3.4%	0.4%
Insurance	23.1%	37.3%	-14.2%
Medicare	28.0%	23.3%	4.7%
Medicaid	24.9%	18.4%	6.5%
Workers Comp	0.7%	0.2%	0.5%
Tricare	0.3%	0.1%	0.2%
Other	6.0%	2.8%	3.2%
Total	100.1%	100.0%	0.1%

It is important to note that all underserved groups (charity care, Medicare, and Medicaid) increased substantially in Mission’s current application while insurance declined. As previously stated, Mission utilized the same service area, incremental market share growth rates, and patient shift in its current application and Project ID # B-12093-21. Given that the methodology and assumptions stayed the same, but the payor mix changed substantially without explanation, Mission’s payor mix is unsupported and the application should be denied as it is unclear the

reasonableness of the assumptions underlying the extent to which all residents of the area, and, in particular, underserved groups are likely to have access to the services proposed.

Based on the discussion above, Mission fails to demonstrate the need for the proposed project in accordance with Criterion 3. As such, the Mission FSER application is non-conforming with Criteria 1 and 3.

8. The Mission FSER application fails to adequately demonstrate that the alternative proposed in its application is the most effective alternative to meet the identified need.

In Section E of its application, Mission describes the alternatives considered and explains why each alternative is either more costly or less effective than the alternative proposed in its application. However, Mission fails to adequately demonstrate that the alternative proposed in its application is the most effective alternative to meet the identified need given the following: (a) although Mission explains why it believes its proposal is the most effective alternative, it nonetheless fails to adequately support such claim given that its projected utilization is not based on reasonable and adequate assumptions as detailed in these comments; and (b) Mission's FSER application is not conforming to all statutory and regulatory review criteria – an application that is not conforming cannot be approved and cannot be an effective alternative to meet the need.

Based on the discussion above, Mission fails to demonstrate that the least costly or most effective alternative has been proposed in accordance with Criterion 4. As such, the Mission FSER application is non-conforming with Criteria 1, 3, and 4.

9. The Mission FSER application fails to adequately demonstrate that the financial and operational projections are based on reasonable assumptions and therefore fails to demonstrate the immediate and long-term financial feasibility of its proposal.

As discussed above relative to Criterion 3, Mission fails to adequately demonstrate the need the population has for its proposed project; as such, Mission failed to demonstrate that its proposed project is financially feasible under Criterion 5. That is, the assumptions used by Mission in the preparation of its pro forma financial statements (see Section Q) are not reasonable because its projected utilization is not based on reasonable and adequately supported assumptions and financial feasibility, including costs and charges, is impacted by utilization. This finding is consistent with the Analyst's findings for Project ID # B-12093-21 relative to Criterion 5. See page 19 of the Findings for Project ID # B-121093-21. Given the similarity in this application, it should be denied for the same reason.

Based on the discussion above, Mission fails to demonstrate that the financial and operational projections are based on reasonable assumptions and therefore fails to demonstrate the immediate and long-term financial feasibility of its proposal in accordance with Criterion 5. As such, the Mission FSER application is non-conforming with Criteria 3 and 5.

10. The Mission FSER application fails to adequately demonstrate that the proposed project will not result in unnecessary duplication of the existing or approved health service facilities located in the proposed service area that provide the same service components.

As noted previously, there is surplus emergency department capacity in the proposed service area. According to Form C (excerpted below), Mission increased from 65 to 94 emergency department rooms in FFY 2020¹ – a 45 percent increase in emergency department capacity in less than two years. As a result, from 2019 to 2020, Mission’s visits per emergency department room dropped from 1,606 to 1,012. As a point of reference, Mission Hospital’s lowest volume per emergency department room reported on its annual LRAs from 2012 through 2020 was 1,479 visits per room.

Form C.4a Historical and Interim Other Hospital Services Utilization * Mission Hospital	Prior Full FY	Prior Full FY	Prior Full FY	Interim Quarter	Interim Full FY	Interim Full FY	Interim Partial FY
	F: 10/1/2018 T: 9/30/2019	F: 10/1/2019 T: 9/30/2020	F: 10/1/2020 T: 9/30/2021	F: 10/1/2021 T: 12/31/2021	F: 1/1/2022 T: 12/31/2022	F: 1/1/2023 T: 12/31/2023	F: 1/1/2024 T: 6/30/2024
Emergency Department							
# of Treatment Rooms	65	65	94	94	94	94	94
# of Visits	104,401	95,085	98,818	24,705	104,401	105,815	53,624

See Mission FSER application, page 132.

Moreover, and as noted relative to Criterion 3 above, Mission fails to demonstrate the need that patients have for the proposed FSED given that existing emergency departments in its proposed service area, as well as Mission Hospital, have available capacity. In particular, based on ACEP standards, the existing number of emergency department rooms, and the number of 2021 emergency department visits, Mission’s proposed service area and Mission Hospital currently has **a surplus of 10 emergency department rooms.**

Based on the discussion above, Mission fails to demonstrate that the proposed project will not result in unnecessary duplication of the existing or approved health service facilities located in the proposed service area that provide the same service components and therefore fails to demonstrate conformity with Criterion 6. As such, the Mission FSER application is non-conforming with Criteria 3 and 6.

11. The Mission FSER application fails to adequately demonstrate that its proposal would have a positive impact on cost-effectiveness, quality, and access.

In Section N, Mission addresses the impact of its proposal on cost-effectiveness, quality, and access. In this section, Mission states that the proposed project will provide access to care in a setting closer to homes and businesses in the service area, reducing travel time and freeing ambulance services from longer transports, reducing costs, and improving efficiency. However,

¹ Please note that Mission incorrectly identifies the 94 emergency department rooms as coming on-line in FFY 2021 in Form C.4a of its Mission FSER application. Mission correctly identifies the 94 emergency department rooms as coming on-line in FFY 2020 in Form C.4a of its Mission FSER West application (see page 136 of the Mission FSER West application) and Form C.4a of its 2021 application to develop a FSED in Arden (Project ID # B-12093-21) (see page 124 of Project ID # B-12093-21).

Mission fails to demonstrate that its proposal would have a positive impact on cost-effectiveness, quality, and access because Mission does not adequately demonstrate: (a) the need the population to be served has for the proposal; (b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and (c) that financial and operational projections are based on reasonable assumptions.

Based on the discussion above, Mission fails to demonstrate that its proposal would have a positive impact on competition, including cost-effectiveness, quality, and access in its proposed service area in accordance with Criterion 18a. As such, the Mission FSER application is non-conforming with Criteria 3, 4, 5, and 18a.

In summary, based on the issues detailed above, Mission has failed to demonstrate that the project is consistent with the review criteria implemented under N.C. GEN. STAT. § 131E-183 and that the project is needed, and the Mission FSER application should be found non-conforming with Criteria 1, 3, 4, 5, 6, and 18a. The Mission FSER application should not be approved.