



# Atrium Health

**Comments on Competing Applications for  
Additional Operating Rooms in  
Mecklenburg County**

**July 31, 2025**

## **Competitive Comments on Mecklenburg County Operating Room Applications**

*submitted by*

### **The Charlotte-Mecklenburg Hospital Authority**

In accordance with N.C. GEN. STAT. § 131E-185(a1)(1), The Charlotte-Mecklenburg Hospital Authority<sup>1</sup> (CMHA) hereby submits the following comments related to competing applications filed to develop additional operating rooms to meet the need identified in the *2025 State Medical Facilities Plan (SMFP)* for five additional operating rooms in Mecklenburg County. CMHA'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).<sup>2</sup> In order to facilitate the Agency's ease in reviewing these comments, CMHA has organized its discussion by issue, specifically noting the general Certificate of Need (CON) statutory review criteria and regulations creating the non-conformity of each issue. CMHA's comments relate to the following competing applications:

- Novant Health Matthews Medical Center, LLC and Novant Health, Inc., Develop two additional operating rooms at Novant Health Matthews Medical Center (NHMMC), Project ID # F-012658-25
- The Presbyterian Hospital and Novant Health, Inc., Develop two additional operating rooms at Novant Health Presbyterian Medical Center (NHPMC), Project ID # F-012661-25

Please note that these applicants collectively are referred to herein as Novant Health.

CMHA's comments also include a comparative analysis related to its application:

- Carolinas Medical Center, Develop five additional operating rooms, Project ID # F-012654-25

As detailed above, given the number of proposed additional operating rooms, all applications cannot be approved as proposed. The comments below include substantial issues that CMHA believes render Novant Health's applications non-conforming with applicable statutory criteria and regulatory review criteria. However, as presented at the end of these comments, even if the Novant Health applications were conforming, the CMC application filed by CMHA is comparatively superior to the applications filed by Novant Health and represents the most effective alternative for expanding access to operating room services in Mecklenburg County.

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<sup>1</sup> Advocate Aurora Health, Inc. ("AAH") and Atrium Health, Inc. ("Atrium Health") formed Advocate Health, Inc. ("Advocate Health"), a nonprofit corporation, to manage and oversee AAH, Atrium Health, and their respective subsidiaries and affiliates. As part of Atrium Health, The Charlotte-Mecklenburg Hospital Authority and Wake Forest University Baptist Medical Center are now part of the Advocate Health enterprise and are managed and overseen by Advocate Health.

<sup>2</sup> CMHA is providing comments consistent with this statute; as such, none of the comments should be interpreted as an amendment to its application filed on June 16, 2025 (Project ID # F-012654-25).

## **GENERAL COMMENTS**

As detailed in the issue-specific comments in the following section, Novant Health's applications do not conform to all of the Certificate of Need (CON) statutory review criteria and regulations. Most notably, Novant Health fails to account for the shift of surgical cases to Novant Health Cabarrus Medical Center; employs inconsistent and unreasonable growth rate methodologies across its facilities; utilizes cherry-picked data to inflate projected utilization; and contains calculation errors that overstate surgical volumes.

Novant Health's methodological deficiencies in these applications represent a continuation of a troubling pattern identified by the Agency in multiple recent reviews across different service areas and project types, as discussed further below. These systemic issues raise fundamental questions about the reliability and accuracy of Novant Health's analytical approach to CON applications.

When more reasonable assumptions are applied and methodological errors are corrected, NHMMC does not meet the performance standards, operating below the minimum required utilization rate. Specifically, when corrected for surgical case migration, NHMMC operates below the required performance thresholds, demonstrating that the facility lacks sufficient demand to justify additional operating room capacity. Further, Novant Health's pattern of selective methodology represents a continuation of the type of assumptions that have been previously identified by the Agency as unreasonable in other Novant Health applications.

Even if Novant Health's applications were approvable, CMHA believes that its CMC application is the more effective alternative for the five operating rooms needed in Mecklenburg County as demonstrated in the comparative analysis section.

## **ISSUE-SPECIFIC COMMENTS ON NOVANT HEALTH APPLICATIONS**

The following issues render both Novant Health operating room applications non-conforming with applicable statutory criteria and regulatory review criteria. These methodological deficiencies affect both the NHMMC and NHPMC applications and represent systemic flaws in Novant Health's analytical approach.

### **1. Novant Health fails to account for the shift of surgical cases to Novant Health Cabarrus Medical Center, rendering both applications methodologically flawed.**

Both applications contain the same fundamental methodological flaw that undermines its utilization projections. The applications fail to account for the projected shift of surgical cases to the proposed Novant Health Cabarrus Medical Center (NH Cabarrus), which was the subject of a CON application filed by Novant Health in February 2025 (Project ID # F-012588-25). This oversight results in inflated OR utilization projections and causes NHPMC and NHMMC to fail to meet the performance standards required under 10A NCAC 14C .2103 in Project Year 3 (2030).

Despite acknowledging that patients will shift from Novant Health's Mecklenburg County facilities to the proposed NH Cabarrus facility, neither application accounts for the migration of surgical cases that would naturally accompany these patient shifts. NHMMC's application specifically acknowledges this omission, explicitly stating on page 140 regarding its projections in the NH Cabarrus application: "Surgical utilization was projected based on the historical percentage of discharges involving inpatient surgery for selected patient population, and ambulatory surgery was projected using a ratio of outpatient surgeries to

discharges. In other words, the methodology did not explicitly project a shift of surgical patients from other Novant facilities." Similarly, NHPMC's application contains identical language on page 146: "Surgical utilization at NH Cabarrus was projected based on the historical percentage of discharges involving inpatient surgery for the selected patient population, and ambulatory surgery was projected using a ratio of outpatient surgeries to discharges. In other words, unlike the approach used for NH Steele Creek the methodology, NH Cabarrus did not explicitly project a shift of surgical patients from other Novant Health facilities." This is notable given that Novant Health previously acknowledged and factored in surgical case shifts for NH Steele Creek, yet failed to apply the same methodology for shifts to NH Cabarrus. This represents a systematic error in methodology that undermines the reliability of all utilization projections across the Novant Health system.

This statement creates an inconsistency with Novant Health's own projections of patient migration in the NH Cabarrus application (Project ID # F-012588-25). The applications cannot simultaneously claim that inpatient discharges will shift to Cabarrus while maintaining that inpatient surgical cases will not shift, given that inpatient surgical cases are derived from inpatient discharges.

Based on data from the NH Cabarrus application, Novant Health acknowledges significant patient migration from its Mecklenburg County facilities to the proposed NH Cabarrus facility:

| <b>Discharge Shift to NH Cabarrus</b>     |               |               |               |
|---|---------------|---------------|---------------|
|   | <b>CY2030</b> | <b>CY2031</b> | <b>CY2032</b> |
| Novant Health Ballantyne Medical Center   | 0             | 0             | 1             |
| Novant Health Huntersville Medical Center | 127           | 172           | 219           |
| Novant Health Matthews Medical Center     | 50            | 67            | 85            |
| Novant Health Mint Hill Medical Center    | 147           | 199           | 252           |
| Novant Health Presbyterian Medical Center | 172           | 233           | 296           |
| Novant Health Rowan Medical Center        | 138           | 187           | 237           |
| Other Novant Health Facilities            | 15            | 20            | 26            |
| <b>Grand Total</b>                        | <b>649</b>    | <b>878</b>    | <b>1,114</b>  |

Source: NH Cabarrus application, Exhibit Q.1

Utilizing the methodology established in the NH Cabarrus application, these discharge shifts translate into significant surgical case migration. According to the NH Cabarrus application (page 136), 25.3 percent of discharges require surgical procedures, and the outpatient surgical cases to discharge ratio is 0.412 (page 137). When these ratios are applied to the projected discharge migration and converted to OR capacity using facility-specific case times, the system-wide impact is substantial:

**Projected Surgical Case Migration from Novant Health  
Mecklenburg County Facilities to NH Cabarrus (2030)**

| <i>Facility</i>                           | <i>2030<br/>Discharge<br/>s Shifting</i> | <i>IP<br/>Surgical<br/>Cases</i> | <i>OP<br/>Surgical<br/>Cases</i> | <i>Hours</i> | <i>OR<br/>Need</i> |
|---|--|----------------------------------|----------------------------------|--------------|--------------------|
| Novant Health Ballantyne Medical Center   | 0  | 0                                | 0                                | 0            | -                  |
| Novant Health Huntersville Medical Center | 127                                      | 32                               | 52                               | 138          | 0.09               |
| Novant Health Matthews Medical Center     | 50                                       | 13                               | 21                               | 58           | 0.04               |
| Novant Health Mint Hill Medical Center    | 147                                      | 37                               | 61                               | 175          | 0.12               |
| Novant Health Presbyterian Medical Center | 172                                      | 44                               | 71                               | 234          | 0.12               |
| <b>Total</b>                              | <b>496</b>                               | <b>125</b>                       | <b>204</b>                       | <b>605</b>   | <b>0.37</b>        |

Source: NH Cabarrus application, Exhibit Q.1 (discharge shifts) and pages 136-137 (surgical ratios: 25.3% inpatient surgical procedure rate and 0.412 outpatient surgical cases per discharge). OR impact calculated using 1,500 standard hours per OR per year and facility-specific case times from respective OR applications.

This analysis reveals that NHMMC would lose 34 surgical cases (13 inpatient surgical cases and 21 outpatient surgical cases) to NH Cabarrus in 2030. When converted to surgical hours using NHMMC's own case time methodology (126.0 minutes for inpatient cases and 92.2 minutes for outpatient cases), this represents 58 hours of surgical capacity, equivalent to 0.04 ORs.

Significantly, the system-wide impact shows that 0.37 ORs worth of surgical cases would shift from Novant Health's Mecklenburg County facilities to NH Cabarrus in 2030. This correction has critical implications for the system-wide OR calculations that form the basis for demonstrating compliance with performance standards.

According to Table 20 on page 147 of the NHMMC application, the Novant Health Mecklenburg County system projects a need for 66.6 ORs in 2030. However, when the 0.37 OR reduction from surgical case migration is properly accounted for, the adjusted system-wide OR need drops to approximately 66.23 ORs. With the system currently having 65.0 licensed/approved ORs, Novant Health demonstrates need for only 1.23 ORs, which rounds to 1 OR. Therefore, **Novant Health does not demonstrate need for the two ORs proposed at NHMMC.**

The failure to account for surgical case migration is particularly problematic because the Novant Health system currently meets the performance standards by only a narrow margin. The 0.37 OR reduction from system-wide surgical case migration, while seemingly modest, becomes significant when considered alongside the system's marginal compliance with performance standards. When reasonable corrections are applied to account for surgical case migration, the **system falls below the performance thresholds** required under 10A NCAC 14C .2103, demonstrating that the proposed capacity is not needed to meet projected demand.

The system-wide impact becomes even more pronounced by 2032:

**Projected Surgical Case Migration from Novant Health  
Mecklenburg County Facilities to NH Cabarrus (2032)**

| <i>Facility</i>                           | <i>2032<br/>Discharges<br/>Shifting</i> | <i>IP<br/>Surgical<br/>Cases</i> | <i>OP<br/>Surgical<br/>Cases</i> | <i>Hours</i> | <i>OR<br/>Need</i> |
|---|---|----------------------------------|----------------------------------|--------------|--------------------|
| Novant Health Ballantyne Medical Center   | 1                                       | 0                                | 0                                | 1            | 0.00               |
| Novant Health Huntersville Medical Center | 219                                     | 55                               | 90                               | 239          | 0.16               |
| Novant Health Matthews Medical Center     | 85                                      | 22                               | 35                               | 99           | 0.07               |
| Novant Health Mint Hill Medical Center    | 252                                     | 64                               | 104                              | 299          | 0.20               |
| Novant Health Presbyterian Medical Center | 296                                     | 75                               | 122                              | 403          | 0.21               |
| <b>Total</b>                              | <b>853</b>                              | <b>216</b>                       | <b>351</b>                       | <b>1,041</b> | <b>0.63</b>        |

Source: NH Cabarrus application, Exhibit Q.1 (discharge shifts) and pages 136-137 (surgical ratios: 25.3% inpatient surgical procedure rate and 0.412 outpatient surgical cases per discharge). OR impact calculated using 1,500 standard hours per OR per year and facility-specific case times from respective OR applications.

By 2032, NHPMC would lose 296 discharges to NH Cabarrus, resulting in 75 inpatient surgical cases and 122 outpatient surgical cases shifting away from NHPMC. This represents 0.21 ORs of capacity, and when combined with migration from other facilities, the total system-wide impact reaches 0.63 ORs by 2032. This demonstrates that the methodological flaw identified in the NHMMC analysis above becomes increasingly problematic over time and undermines the reliability of all utilization projections across Novant Health's entire system. The failure to account for surgical case migration affects both NHPMC and NHMMC, as each facility's projections are artificially inflated by not recognizing the volume that will shift to NH Cabarrus, rendering both applications methodologically flawed and unreliable.

**In summary, based on these issues, both applications are non-conforming with the review criteria established under N.C. GEN. STAT. § 131E-183, specifically Criteria 3, 4, 5, 6, and 18a, as well as the Criteria and Standards for Operating Rooms at 10A NCAC 14C .2103. Neither the NHPMC nor the NHMMC application should be approved.**

**2. Novant Health employs inconsistent and unreasonable growth rate methodologies across its facilities.**

Novant Health's applications demonstrate substantial methodological inconsistencies in the selection and application of growth rate assumptions across its system facilities. This selective approach to data analysis demonstrates a pattern that has been previously identified by the Agency in other Novant Health applications as unreasonable and unsupported; similarly, this approach renders the current projections unreasonable and unsupported.

Novant Health's pattern of unreasonable assumptions and analytical deficiencies has been documented in multiple recent Agency findings. While those reviews involved new facility development and this review involves existing facility expansion, the common thread is Novant Health's consistent failure to provide adequate support for key assumptions underlying its utilization projections. In the 2022 Buncombe/Graham/Madison/Yancey Acute Care Bed Review, Novant Health's application to develop Novant Health Asheville Medical Center (Project ID #B-012230-22) was found non-conforming with Criterion 3, with the Agency finding that "Novant's assumptions about what percentage of acute care patients treated in Buncombe County will shift to NH Asheville are not reasonable and adequately supported." In the 2024 Wake County Acute Care Bed and OR Review, Novant Health's application to

develop Novant Health Knightdale Medical Center (Project ID #J-012534-24) was found non-conforming with Criterion 3, with the Agency finding that the "Projected market share of discharges is not reasonable." Most recently, in March 2025, Novant Health's application for Novant Health Asheville Imaging Center (Project ID #B-12567-24) was found non-conforming with Criterion 3, with the Agency determining that "projected utilization is not reasonable and adequately supported" and that the applicant's calculation methodology could not be verified.

Both applications in this review continue this troubling pattern through inconsistent application of growth rate methodologies across Novant Health's various facilities. While healthcare planning may legitimately require facility-specific considerations based on operational circumstances, market conditions, and capacity constraints, the applications provide insufficient justification for the divergent approaches employed, raising questions about the reasonableness of the projected utilization data.

The following table summarizes the growth rate methodologies applied across Novant Health's Mecklenburg County facilities:

| <i><b>Facility</b></i> | <i><b>Recent Trend<br/>(FFY2022-2024)</b></i> | <i><b>Method Used</b></i> |
|------------------------|---|---------------------------|
| NHMHMC IP              | -12.1%  | Flat (0%)                 |
| NHMHMC OP              | -0.2%   | Population (1.5%)         |
| NHMMC IP               | +8.8%   | 50% of 2022-2024          |
| NHMMC OP               | -0.5%   | 2019-2024 CAGR (2.6%)     |
| NHHMC IP               | +5.1%   | 75% of 2022-2024          |
| NHHMC OP               | -0.5%   | Population (1.5%)         |
| NHPMC IP               | +5.5%   | 75% of 2022-2024          |
| NHPMC OP               | +3.7%   | 75% of 2022-2024          |
| NHBMC IP               | NA  | Population (1.5%)         |
| NHBMC OP               | NA  | Population (1.5%)         |

Source: Novant Health CON Applications for NHPMC and NHHMC

The applications reveal different combinations of growth rate methodologies across these five facilities, yet provide limited explanation for why specific approaches were selected. For example, despite experiencing a substantial 12.1 percent decline in inpatient surgical cases from FFY2022 to FFY2024, Novant Health projects flat (zero percent growth) utilization at NHMHMC without acknowledging the factors contributing to this decline. While Novant Health characterizes Mint Hill as a "new hospital rebounding from COVID," the 7-year-old facility is no longer new, COVID impacts are now years in the past, and the applications provide no explanation for why a facility experiencing declining volumes due to demonstrated competitive pressure should suddenly reverse course and achieve flat growth. Additionally, while inpatient volume receives flat projections despite steep declines, outpatient volume is projected to grow at population rates (1.5 percent) despite minimal recent change (-0.2 percent). This methodological divergence within the same facility lacks adequate justification.

Similarly, the utilization projections for Huntersville reflect an internally inconsistent approach without adequate rationale. Inpatient surgical cases, which demonstrated positive growth of 5.1 percent CAGR from FFY2022 to FFY2024, are projected using 75 percent of recent trends (approximately 3.8 percent

annually), citing conservative assumptions due to potential competitive impacts. However, outpatient surgical cases, which declined 0.5 percent over the same period, are projected to grow at population rates (1.5 percent annually) under an assumption of "minimal growth." The application does not explain why declining outpatient volume should be projected to grow at population rates while growing inpatient volume requires conservative adjustments below actual trends because of competitive impacts.

In summary, based on these methodological concerns, both applications present utilization projections that lack the requirement of reasonable and supported assumptions under Criterion 3.

**In summary, based on these issues, both applications are non-conforming with the review criteria established under N.C. GEN. STAT. § 131E-183, specifically Criteria 3, 4, 6, and 18a, as well as the Criteria and Standards for Operating Rooms at 10A NCAC 14C .2103. Neither the NHPMC nor the NHMMC application should be approved.**

### **3. NHPMC's application contains calculation errors that overstate outpatient surgical volumes.**

NHPMC's application contains fundamental mathematical errors in Table 10 that overstate outpatient surgical case projections for NHMMC. These calculation errors undermine the reliability of the utilization projections supporting the proposed ORs.

| Table 10: Novant Health Matthews Medical Center<br>Inpatient & Ambulatory Surgical Cases Performed in Licensed ORs |        |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | CY2024 | CY2025 | CY2026 | CY2027 | CY2028 | CY2029 | CY2030 | CY2031 | CY2032 | CY2033 |
| Inpatient Cases  | 1,413  | 1,475  | 1,540  | 1,607  | 1,678  | 1,751  | 1,828  | 1,908  | 1,992  | 2,079  |
| IP Cases To Shift To NH Steele Creek   |        |        |        | 0      | 2      | 3      | 4      | 4      | 4      | 4      |
| IP Cases After Shift   | 1,413  | 1,475  | 1,540  | 1,607  | 1,676  | 1,748  | 1,824  | 1,904  | 1,988  | 2,075  |
| Outpatient Cases   | 4,568  | 4,637  | 4,707  | 4,828  | 4,951  | 5,078  | 5,208  | 5,342  | 5,478  | 5,618  |
| OP Cases To Shift To NH Steele Creek   |        |        |        | 2      | 11     | 15     | 18     | 18     | 18     | 18     |
| OP Cases After Shift   | 4,656  | 4,685  | 4,805  | 4,926  | 5,043  | 5,168  | 5,298  | 5,434  | 5,574  | 5,717  |
| Total  | 6,069  | 6,160  | 6,344  | 6,533  | 6,719  | 6,917  | 7,122  | 7,338  | 7,561  | 7,792  |

Shifts are not projected to continue, but are reflected in the table solely for calculation purposes.

Source: NHPMC Application, p.149

As shown in Table 10 on page 149 of the NHPMC application and displayed above, the outpatient surgical case calculations for NHMMC contain mathematical errors where the "Outpatient Cases" minus "OP Cases To Shift To NH Steele Creek" do not equal the stated "OP Cases After Shift." In CY 2033, for example, 5,618 outpatient cases prior to the shift with 18 cases to be shifted would result in 5,600 cases after the shift, 117 fewer cases than projected for NHMMC.

These errors result in overstated outpatient surgical volumes for NHMMC and consequently inflated surgical case projections for that facility. While these particular calculation errors may not materially impact the overall system-wide OR need calculation given the substantial projected volumes across facilities, they demonstrate a pattern of methodological carelessness that undermines confidence in the application's analytical rigor.

Furthermore, this pattern of calculation errors and unverifiable methodologies is consistent with recent Agency findings regarding other Novant Health applications. In the 2024 Wake County review, the Agency found regarding Novant Health Knightdale Medical Center (Project ID #J-012534-24) that "The steps taken



by the applicant to arrive at those calculations were not clearly explained. The Project Analyst was unable to verify the applicant's final projections.” The calculation errors in NHPMC's Table 8 demonstrate the same pattern of inadequate quality control and methodological review that has been previously identified by the Agency.

**In summary, based on these issues, the NHPMC application is non-conforming with the review criteria established under N.C. GEN. STAT. § 131E-183, specifically Criterion 3, as well as 4, 5, 6, and 18a. The NHPMC application should not be approved.**

**4. NHMMC's projected surgical growth rates are unreasonable and inconsistent with the facility's acute care utilization projections.**

NHMMC's application projects unreasonably aggressive growth rates for inpatient surgical cases that are fundamentally inconsistent with the facility's overall acute care utilization projections. This disconnect between surgical and acute care projections demonstrates a methodological inconsistency that calls into question the reasonableness of the projected need for additional ORs.

NHMMC projects inpatient surgical cases to grow at 4.4 percent annually, utilizing one-half of the facility's two-year compound annual growth rate of 8.8 percent from FFY 2022 to FFY 2024. However, this projected surgical growth rate is significantly higher than the facility's overall acute care utilization patterns, which have shown much more modest growth over a longer and more stable timeframe. The disconnect becomes apparent when comparing NHMMC's surgical projections to the acute care utilization data presented in Novant Health's concurrent NHPMC acute care bed application (Project ID #F-012660-25). In that application, Table 13 on page 140 shows that NHMMC's acute care days grew from 35,833 in FFY 2018 to 40,287 in FFY 2024, representing a six-year compound annual growth rate of only 2.0 percent. This 2.0 percent acute care growth rate was used by Novant Health to project NHMMC's future acute care utilization in the NHPMC acute care beds application, yet Novant Health simultaneously projects surgical cases at NHMMC to grow at 4.4 percent annually in the concurrent OR application.

This disparity between projected surgical growth (4.4 percent) and demonstrated acute care growth (2.0 percent over six years) is unreasonable for several reasons. First, while inpatient surgical cases can occasionally grow at different rates than overall inpatient utilization due to changes in case mix or clinical practices, projecting surgical cases to grow at more than double the rate of total acute care utilization over an extended projection period requires substantial justification that is absent from this application. Second, NHMMC's own data show that despite modest fluctuations in total discharges, the facility has sustained approximately 40,000 inpatient days annually since FFY 2021, indicating stabilized rather than rapidly growing utilization. Third, the longer-term inpatient surgical trends directly contradict the projected growth assumptions, as inpatient surgical cases actually declined from 1,704 in FFY 2019 to 1,428 in FFY 2024, representing a negative 3.5 percent compound annual growth rate over five years. The application's reliance on a carefully selected two-year growth rate from FFY 2022 to FFY 2024 for surgical projections, while ignoring both the longer-term acute care utilization trends and the declining five-year inpatient surgical trend, reflects picking favorable data points rather than a comprehensive analysis of demand patterns.

**In summary, based on these issues, the NHMMC application is non-conforming with the review criteria established under N.C. GEN. STAT. § 131E-183, specifically Criteria 3, 4, 6, and 18a, as well as the Criteria and Standards for Operating Rooms at 10A NCAC 14C .2103. The NHMMC application should not be approved.**

**5. NHMMC fails to demonstrate need for both proposed ORs based on its own projections and calculations.**

NHMMC's application fails to demonstrate need for both of the proposed ORs based on the facility's own utilization projections and OR calculations. The application reveals that NHMMC currently operates with adequate OR capacity under the standard SMFP methodology, undermining the fundamental premise for additional ORs and demonstrating that the proposal creates unnecessary capacity.

According to Form C.3 on page 116 of the NHMMC application, the facility projects a need for only 8.0 ORs in Project Year 3 (2030). However, with the two proposed ORs, NHMMC would have nine total shared ORs (excluding the two dedicated C-section ORs), creating a surplus of 1.0 OR beyond demonstrated need. Novant Health's own calculation shows that NHMMC does not need the two ORs proposed in the application.

The application's system-wide calculations on page 147 further demonstrate the limited need for additional OR capacity. Table 20 shows that the Novant Health Mecklenburg County system projects a need for 66.6 ORs in 2030, but with the addition of both proposed NHMMC ORs, the system would have 67.0 licensed/approved ORs. This creates a surplus of only 0.4 ORs system-wide, indicating that the system barely meets the threshold for demonstrating need and has no margin for error in its projections.

This fundamental lack of need undermines the entire premise of the project. Certificate of Need applications should address documented capacity constraints, not attempt to create artificial need through methodological manipulation. The application essentially asks the Agency to approve additional capacity for a facility that already meets its demonstrated OR need under the standard regulatory methodology, contradicting the basic purpose of CON review. The marginal nature of the demonstrated need is further evidence that NHMMC's projections are artificially inflated to create the appearance of need where none actually exists.

**In summary, based on these issues, the NHMMC application is non-conforming with the review criteria established under N.C. GEN. STAT. § 131E-183, specifically Criteria 3, 4, 5, 6, and 18a, as well as the Criteria and Standards for Operating Rooms at 10A NCAC 14C .2103. The NHMMC application should not be approved.**

***SUMMARY OF ISSUE-SPECIFIC COMMENTS ON NHMMC AND NHPMC***

Both NHPMC and NHMMC operating room applications contain significant methodological flaws and unsupported assumptions that render them non-conforming with applicable statutory and regulatory review criteria. Most critically, both applications fail to properly account for surgical case volume shifts to the proposed Cabarrus facility, with the NHMMC application failing to meet performance standards when these corrections are applied. The applications also demonstrate a pattern of inconsistent growth rate selection that appears designed to maximize projected need rather than provide reasonable projections. As such, both the NHPMC and NHMMC operating room applications should be denied as non-conforming with Criteria 3, 4, 5, 6, and 18a, as well as the Criteria and Standards for Operating Rooms at 10A NCAC 14C .2103. Even if Novant Health's applications were conforming, CMHA believes that its CMC application is the more effective alternative for the five operating rooms needed in Mecklenburg County as demonstrated in the comparative analysis section below.

## **COMPARATIVE ANALYSIS**

The NHMMC application (Project ID # F-012658-25) and the NHPMC application (Project ID # F-012661-25) both propose to develop additional operating rooms in response to the 2025 SMFP need determination for Mecklenburg County. Given that the applications collectively propose to develop four additional operating rooms while the identified need is for five additional operating rooms, both applications can be approved if they are conforming to applicable review criteria. However, to determine the comparative factors that are applicable in this review, CMHA examined recent Agency findings for competitive operating room reviews. Based on that examination and the facts and circumstances of the competing applications in this review, CMHA considered the following comparative factors:

- Conformity with Review Criteria
- Scope of Services
- Geographic Accessibility
- Historical Utilization
- Competition
- Access by Service Area Residents
- Access by Underserved Groups
  - Projected Medicare and Medicaid
- Average Net Revenue per Surgical Case
- Average Operating Expense per Surgical Case

CMHA believes that the factors presented above and discussed in turn below should be used by the Agency in reviewing the competing applications.

### **Conformity with Applicable Statutory and Regulatory Review Criteria**

CMHA's application adequately demonstrates that its operating room proposal conforms to all applicable statutory and regulatory review criteria. In contrast, Novant Health's applications do not adequately demonstrate that their proposals are conforming to all applicable statutory review criteria, as discussed previously. Specifically, both the NHMMC and NHPMC applications are non-conforming with Criteria 3, 4, 6, and 18a, as well as the Criteria and Standards for Operating Rooms at 10A NCAC 14C .2103. Most critically, the NHMMC application fails to meet the performance standards when corrected for surgical case migration to NH Cabarrus. An application that is not conforming to all applicable statutory and regulatory review criteria cannot be approved. Therefore, with regard to conformity, CMHA's application is more effective than both Novant Health applications.

### **Scope of Services**

CMC and both NHMMC and NHPMC are existing acute care hospitals that provide surgical services. CMC is a Level I trauma center, a quaternary care provider, and academic medical center. According to the 2025 SMFP, CMC is designated as an academic medical center teaching hospital. NHMMC provides community hospital services, while NHPMC is a Level II trauma center and tertiary care facility. Neither NHMMC nor NHPMC are academic medical centers.

CMC's status as the only quaternary care provider, Level I trauma center, and academic medical center in Mecklenburg County is indicative of a broader scope of surgical services than those offered at NHMMC or

NHPMC. As discussed in the CMC OR application, CMC performs highly specialized surgical procedures, including transplants. According to the *2025 SMFP*, neither NHMMC nor NHPMC are listed as providing any transplant services. While NHPMC characterizes itself as a "quaternary referral center" in its application, CMC is the only facility in Mecklenburg County that provides the full range of quaternary services, including but not limited to transplants and Level I trauma care.

Therefore, based on the Agency's past position on this comparative factor – that the application proposing to provide the greatest scope of services is the more effective alternative – the CMC application is more effective with regard to scope of services.

### **Geographic Accessibility**

All three applications submitted in response to the need identified in the *2025 SMFP* for five additional operating rooms in Mecklenburg County propose to add operating rooms to existing facilities. CMC, NHMMC, and NHPMC are all located within Mecklenburg County and serve the same general population. Given that all applications propose to locate additional operating rooms at existing hospitals within the same county, the applications are comparable with regard to geographic accessibility.

### **Historical Utilization**

The table below shows the operating room deficit and surplus for the applicant facilities as reported in the *2025 SMFP*. As detailed in the CMC OR application, CMC demonstrates the largest projected operating room deficit in Mecklenburg County, with a deficit of 5.67 ORs in 2027. As stated in the CMC OR application, this represents the second-highest projected operating room deficit in the entire state of North Carolina, exceeded only by WakeMed in Wake County which has a projected deficit of 9.66 ORs.

**Projected Operating Room Deficit/Surplus  
for Applicant Facilities (2027)**

| <i>Facility</i> | <i>Projected OR<br/>Deficit/Surplus</i> |
|-----------------|---|
| CMC             | 5.67                                    |
| NHPMC           | -3.48                                   |
| NHMMC           | -0.19                                   |

Source: *2025 SMFP*. Surplus shows as a negative number.

As shown in the *2025 SMFP*, CMHA facilities demonstrate a combined deficit of 1.70 ORs, while Novant Health facilities in Mecklenburg County have an overall surplus of 8.19 ORs. Meanwhile, both Novant Health facilities that are competing applicants show OR surpluses: NHPMC at 3.48 ORs and NHMMC at 0.19 ORs. CMC's substantial operating room deficit demonstrates the significant historical utilization and capacity constraints at that facility. Therefore, with regard to historical utilization, the CMC application is the more effective alternative.

## Competition

Competition cannot be singularly defined as a simple comparison of existing assets, particularly in a service area such as Mecklenburg County. Atrium Health and Novant Health are two existing, mature, and well-established providers of operating room services in Mecklenburg County, and neither system qualifies as a new or alternative provider of operating room services. While the Agency is charged with evaluating competition in CON reviews per N.C. Gen. Stat. § 131E-183(18a), it is not charged with protecting a specific facility's market share.

In the 2024 Wake County Acute Care Bed and Operating Room Review, the Agency moved beyond asset counting and explicitly rejected this approach for operating rooms. The Agency found that "the rationale for expanding an existing provider when that provider has fewer ORs than another provider does not reasonably hold when the existing provider with the fewer ORs currently has either a projected surplus of ORs... or has a projected deficit of ORs of '0'." Instead, the Agency emphasized that "expanding the number of ORs in the WakeMed Health System, the only Health System with a projected deficit of ORs (3), would presumably encourage all providers in the service area to improve quality or lower costs in order to compete for patients."

This represents a fundamental shift in the Agency's competition analysis for operating rooms – from mechanical asset counting to meaningful deficit-based competition. The Agency explicitly recognized that awarding additional OR capacity to systems with surpluses or no deficit "does not reasonably hold" as a competitive rationale, while expanding capacity in systems with documented deficits creates the competitive dynamic the CON process seeks to foster.

Meaningful competition occurs when providers with genuine capacity constraints are given the opportunity to compete effectively. Competition is actually stifled when one provider operates at maximum capacity with documented deficits while another operates with surplus capacity and underutilized ORs. Under such circumstances, the provider with surplus capacity has an inherent competitive advantage that is not based on quality or efficiency, but simply on having unused operating rooms available. It does not make sense to award more ORs to an entity that is not fully utilizing what they already have.

According to the 2025 *SMFP*, CMHA facilities demonstrate a combined deficit of 1.70 ORs, while Novant Health facilities have an overall surplus of 8.19 ORs. More specifically, CMC has a projected deficit of 5.67 ORs, while NHPMC has a projected surplus of 3.48 ORs and NHMMC has a projected surplus of 0.19 ORs. The system-wide deficits and surpluses are shown in the tables below.

**2025 SMFP Operating Room Surplus/Deficit  
Mecklenburg County Facilities (2027)**

| <i><b>Facility</b></i>                           | <i><b>Projected OR<br/>Deficit/Surplus</b></i> |
|--|--|
| Novant Health Steele Creek Medical Center        | -2.00  |
| SouthPark Surgery Center                         | 0.72   |
| Novant Health Ballantyne Outpatient Surgery      | -0.43  |
| Novant Health Huntersville Outpatient Surgery    | -0.30  |
| Matthews Surgery Center                          | -0.10  |
| Novant Health Presbyterian Medical Center        | -3.48  |
| Novant Health Matthews Medical Center            | -0.19  |
| Novant Health Huntersville Medical Center        | 0.43   |
| Novant Health Mint Hill Medical Center           | -1.08  |
| Novant Health Ballantyne Medical Center          | -1.75  |
| <b>Novant Health Total</b>                       | <b>-8.19</b>                                   |
| Carolina Center for Specialty Surgery            | -1.71  |
| Huntersville Surgery Center                      | -0.98  |
| Atrium Health Pineville                          | 1.42   |
| Carolina Medical Center/Center for Mental Health | 5.67   |
| Atrium Health University City                    | -2.71  |
| <b>CMHA/Atrium Health Total</b>                  | <b>1.7</b>                                     |

Source: 2025 SMFP. Surplus shows as a negative number.

Novant Health will likely argue that their surplus calculations are inaccurate based on updated case times in their applications. However, even when Novant Health's preferred case times are applied, the system maintains a significant surplus of ORs, as shown below.

**Operating Room Surplus/Deficit Using Updated Case Times  
Novant Health Mecklenburg County Facilities (2027)**

| <i>Facility</i>                               | <i>Projected OR<br/>Deficit/Surplus</i> |
|---|---|
| Novant Health Steele Creek Medical Center     | -2.00                                   |
| SouthPark Surgery Center                      | 0.57                                    |
| Novant Health Ballantyne Outpatient Surgery   | -0.88                                   |
| Novant Health Huntersville Outpatient Surgery | -0.37                                   |
| Matthews Surgery Center                       | -0.10                                   |
| Novant Health Presbyterian Medical Center     | -0.98                                   |
| Novant Health Matthews Medical Center         | 0.59                                    |
| Novant Health Huntersville Medical Center     | 0.55                                    |
| Novant Health Mint Hill Medical Center        | -0.29                                   |
| Novant Health Ballantyne Medical Center       | -1.65                                   |
| <b>Novant Health Total</b>                    | <b>-4.47</b>                            |

Source: 2025 SMFP. Surplus shows as a negative number.

Furthermore, the *Proposed 2026 SMFP* continues to show CMHA with a deficit of 5.39 ORs and Novant Health with a surplus of 5.07 ORs (updated to 4.07 ORs using the cases times from the OR applications, displayed below). In fact, no Novant Health facility displayed in the *Proposed 2026 SMFP* has a deficit.

**Operating Room Surplus/Deficit Using Updated Case Times  
Novant Health Mecklenburg County Facilities (2028)**

| <i>Facility</i>                                   | <i>Projected OR<br/>Deficit/Surplus</i> |
|---|---|
| Novant Health Steele Creek Medical Center         | -2.00                                   |
| Novant Health Presbyterian Medical Center         | -0.17                                   |
| Novant Health Matthews Medical Center             | -0.10                                   |
| Novant Health Huntersville Medical Center         | -0.24                                   |
| Novant Health Mint Hill Medical Center            | -1.25                                   |
| Novant Health Ballantyne Medical Center           | -0.31                                   |
| <b>Novant Health Total</b>                        | <b>-4.07</b>                            |
| Atrium Health Pineville                           | 2.70                                    |
| Carolinas Medical Center/Center for Mental Health | 5.30                                    |
| Atrium Health University City                     | -2.60                                   |
| <b>CMHA/Atrium Health Total</b>                   | <b>5.39</b>                             |

Source: *Proposed 2022 SMFP*. Surplus shows as a negative number.

As demonstrated above, regardless of the methodology applied, CMHA facilities have documented deficits while Novant Health facilities maintain surpluses. As the Agency recognized in Wake County, expanding OR capacity in systems with documented deficits and high utilization creates the competitive dynamic that the CON process seeks to foster, while awarding ORs to systems with surplus capacity and

underutilized existing resources does not enhance competition. Therefore, consistent with this deficit-based approach to competition analysis, CMC is the more effective alternative with regard to competition.

#### **Access by Service Area Residents**

In the Agency Findings for the 2019 Mecklenburg County Acute Care Bed and Operating Room Review, the Agency's comparative analyses included a comparative factor, "Access by Service Area Residents," but did not draw any conclusions about the factor. With respect to operating rooms specifically, the Agency noted that *"Atrium is correct that the Operating Room Need Determination in the 2019 SMFP is based on the total number of surgical hours provided to patients and not based on anything related to Mecklenburg County-specific patients. Further, Mecklenburg County is a large urban county with over one million residents, two large health systems plus other smaller healthcare groups, and is on the border of North Carolina and South Carolina... **the Agency believes that in this specific instance attempting to compare the applicants based on the projected OR access of Mecklenburg County residents has little value [emphasis added].**"* Subsequently, the Agency maintained this position in its Findings for the 2020 Mecklenburg County Acute Care Bed and OR Review, which was the most recent OR review in Mecklenburg County, in which it did not evaluate this comparative factor. Furthermore, the Agency maintained this position for the Mecklenburg County Acute Care Bed reviews in every year thereafter: 2021, 2022, 2023, and 2024.

CMHA agrees with the Agency's findings regarding this factor in recent reviews and maintains its belief that this comparative factor, if applied, would be inappropriate or inconclusive for a review of the proposed project. As discussed in the CMC OR application, the need for additional operating room capacity in Mecklenburg County, and specifically, the need determination in the *2025 SMFP*, is a result of the utilization of all patients that utilize surgical services located in Mecklenburg County. According to patient origin data submitted on license renewal applications (LRAs), less than 52 percent of patients served by Mecklenburg County surgical services providers originate from within the county. As included in the CMC application at page 42 and shown in the table below, out of state patients comprise nearly 14 percent of total surgical cases provided by Mecklenburg County surgical services, followed by patients from neighboring North Carolina counties.



### Total Patient Origin for Mecklenburg County Surgical Services Providers

| <i>NC County/State of Origin</i> | <i>2023 Percent of Total Cases</i> | <i>2023 Percent of Inpatient Cases</i> | <i>2023 Percent of Outpatient Cases</i> |
|----------------------------------|------------------------------------|--|---|
| Mecklenburg                      | 51.5%                              | 47.5%                                  | 53.0%                                   |
| Other States*                    | 14.0%                              | 16.3%                                  | 13.1%                                   |
| Union                            | 8.9%                               | 7.4%                                   | 9.4%                                    |
| Gaston                           | 5.6%                               | 5.3%                                   | 5.7%                                    |
| Cabarrus                         | 4.4%                               | 4.3%                                   | 4.5%                                    |
| Iredell                          | 3.2%                               | 2.8%                                   | 3.4%                                    |
| Lincoln                          | 2.3%                               | 2.4%                                   | 2.3%                                    |
| Cleveland                        | 1.7%                               | 2.6%                                   | 1.3%                                    |
| Stanly                           | 1.3%                               | 1.5%                                   | 1.2%                                    |
| Rowan                            | 1.3%                               | 1.5%                                   | 1.2%                                    |
| Catawba                          | 1.2%                               | 1.5%                                   | 1.0%                                    |
| All Others**                     | 4.6%                               | 6.9%                                   | 3.8%                                    |
| <b>Total</b>                     | <b>100.0%</b>                      | <b>100.0%</b>                          | <b>100.0%</b>                           |

Source: 2023 Patient Origin Reports as compiled by NC DHSR.

\* Other States includes all other states.

\*\* All Others includes all other North Carolina counties.

Simply put, without the demand for OR services originating from outside of Mecklenburg County, there would not be a need for additional surgical capacity to be located in Mecklenburg County. In fact, there would be significant excess or underutilized capacity. Under these circumstances, it would not be appropriate to determine the comparative effectiveness of an applicant based on service to Mecklenburg County residents when the need as identified for the proposed additional OR capacity is not based solely on Mecklenburg County patients. (Other methodologies in the *SMFP*, such as nursing facility beds, are based only on the population residing in the county; a factor for "Access by/Service to Service Area Residents" may be more appropriate in such a review, but that is not the case with operating rooms.) Rather, if anything, CMHA believes the Agency should recognize that the need for additional OR capacity in Mecklenburg County is driven by residents across the region and evaluate an applicant's geographic reach in assessing the need for additional OR capacity located in Mecklenburg County.

### Access by Underserved Groups

#### *Projected Medicare and Medicaid*

The table below shows each applicant's projected Medicare and Medicaid patients as a percentage of total surgical utilization, as reported in Section L.3 of the respective applications.

|       | <i>% Medicare</i> | <i>% Medicaid</i> |
|-------|-------------------|-------------------|
| CMC   | 29.9%             | 22.0%             |
| NHMMC | 40.8%             | 7.9%              |
| NHPMC | 42.9%             | 11.4%             |

Source: Section L.3.

As shown in the table above, CMC projects to serve a higher percentage of Medicaid patients than both Novant Health facilities combined, while NHMMC and NHPMC project higher percentages of Medicare patients than CMC.

In previous Mecklenburg County operating room reviews, the Agency found this factor to be inconclusive. In both the 2019 and 2020 Mecklenburg County Acute Care Bed and Operating Room Reviews, the Agency concluded that "differences in the acuity level of patients at each facility, the level of care (community hospital, tertiary care hospital, quaternary care hospital, etc.) at each facility, and the number and types of surgical services proposed by each of the facilities would make any comparison of little value." However, a comparison of Medicare and Medicaid as a percentage of patients is appropriate for this competitive review as it reflects the proportion of each applicant's access dedicated to underserved patients and provides an equitable comparison methodology that eliminates factors that may inadvertently skew the comparison.

With regard to Medicare access, both NHMMC and NHPMC are more effective alternatives than CMC based on their higher projected percentages of Medicare patients. However, with regard to Medicaid access, the CMC application is the more effective alternative due to its significantly higher projected service to Medicaid patients (22.0 percent compared to 7.9 percent at NHMMC and 11.4 percent at NHPMC). Medicaid patients represent one of the most medically underserved populations in the service area and typically face greater barriers to accessing healthcare services, particularly specialized surgical care.

#### **Average Net Revenue per Surgical Case**

The following table shows the projected average net revenue per surgical case in the third year of operation based on the information provided in each applicant's pro forma financial statements (Form F.2). Consistent with previous Agency findings, the per case statistics below are based on operating room cases only.

| <i><b>Facility</b></i> | <i><b>Cases</b></i> | <i><b>Net Revenue</b></i> | <i><b>Average Net Revenue Per Case</b></i> |
|------------------------|---------------------|---------------------------|--|
| CMC                    | 36,900              | \$920,108,526             | \$24,933                                   |
| NHMMC                  | 7,122               | \$84,691,848              | \$11,894                                   |
| NHPMC                  | 42,225              | \$542,209,287             | \$12,841                                   |

Source: Form F.2 and Form C utilization projections.

As shown above, NHMMC projects the lowest average net revenue per operating room case, followed by NHPMC. CMC projects substantially higher net revenue per case than both Novant Health facilities. CMC's higher revenue per case reflects its role as the only quaternary care provider, Level I trauma center, and academic medical center in Mecklenburg County, performing more complex and resource-intensive surgical procedures including transplants, neurosurgery, and other specialty surgery that command higher reimbursement rates.

The various applications project diverse types of surgical cases, which impact revenue per case. CMC performs highly specialized surgical procedures that naturally generate higher charges and reimbursement, while NHMMC and NHPMC provide primarily community and tertiary hospital-level surgical services, respectively. This difference in case complexity and acuity levels makes direct comparison of limited value for determining the most effective alternative.

In previous operating room reviews, the Agency has consistently found this factor to be inconclusive when there are significant differences in services offered by the applicants. In both the 2019 and 2020 Mecklenburg County Operating Room Reviews, the Agency concluded that "differences in the acuity level of patients at each facility, the level of care (community hospital, tertiary care hospital, quaternary care hospital, etc.) at each facility, and the number and types of surgical services proposed by each of the facilities may impact the averages shown in the table above. Thus, the result of this analysis is inconclusive." Most recently, in the 2024 Wake County Acute Care Bed and OR Review, the Agency again found average net revenue per case to be inconclusive, noting that "differences in the acuity level of patients at each facility, the level of care (new community hospital, existing community hospital, existing tertiary care hospital) at each facility, and the number and types of surgical services proposed by each of the facilities may impact the averages shown in the table above. Thus, the result of the analysis of this comparative factor is inconclusive."

Therefore, consistent with Agency precedent, this comparative factor is inconclusive.

#### **Average Operating Expense per Surgical Case**

The following table shows the projected average operating expense per surgical case in the third year of operation for each of the applicants, based on the information provided in applicants' pro forma financial statements (Form F.3). The per case expenses below include only cases performed in operating rooms.

| <b>Applicant</b> | <b>Cases</b> | <b>Operating Expenses</b> | <b>Average Operating Expense Per Case</b> |
|------------------|--------------|---------------------------|---|
| CMC              | 36,900       | \$410,897,425             | \$11,138                                  |
| NHMMC            | 7,122        | \$33,241,957              | \$4,666                                   |
| NHPMC            | 42,225       | \$245,868,739             | \$5,824                                   |

Source: Form F.3 and Form C utilization projections.

As shown in the table above, NHMMC projects the lowest average operating expense per case in the third project year, followed by NHPMC.

CMC's higher operating expense per case reflects the more complex and resource-intensive nature of quaternary care surgical services, including Level I trauma care, transplant procedures, neurosurgery, and pediatric surgery. These highly specialized surgical procedures require more extensive staffing, specialized equipment, longer procedure times, and more complex post-operative care, naturally resulting in higher per-case operating expenses. The various applications project diverse types of surgical cases, which also impact operating expenses.

Among the competing applications, CMC represents the most comprehensive surgical services provider and the only facility capable of providing the full scope of quaternary surgical care in Mecklenburg County. Therefore, differences in the acuity level of patients at each facility, the level of care (community hospital, tertiary care hospital, quaternary care hospital, etc.) at each facility, and the number and types of surgical services proposed by each of the facilities may impact the averages shown in the table above. Thus, the result of this analysis is inconclusive.

In previous operating room reviews, the Agency has consistently found this factor to be inconclusive when there are significant differences in services offered by the applicants. In both the 2019 and 2020 Mecklenburg County Operating Room Reviews, the Agency concluded that "differences in the acuity level of patients at each facility, the level of care (community hospital, tertiary care hospital, quaternary care hospital, etc.) at each facility, and the number and types of surgical services proposed by each of the facilities may impact the averages shown in the table above. Thus, the result of this analysis is inconclusive." Most recently, in the 2024 Wake County Acute Care Bed and OR Review, the Agency again found average operating expense per case to be inconclusive, using nearly identical reasoning that "differences in the acuity level of patients at each facility, the level of care (new community hospital, existing community hospital, existing tertiary care hospital) at each facility, and the number and types of surgical services proposed by each of the facilities may impact the averages shown in the table above. Thus, the result of the analysis of this comparative factor is inconclusive."

Therefore, consistent with established Agency precedent, this comparative factor is inconclusive.

As detailed in the issue-specific comments, both Novant Health applications do not conform to all the CON statutory review criteria and regulations and thus are not approvable. The NHMMC application fails to meet performance standards when corrected for surgical case migration to NH Cabarrus, while both applications contain fundamental methodological flaws including failure to account for case migration, inconsistent growth rate methodologies, calculation errors, and cherry-picked data that inflate utilization projections. These deficiencies render both applications non-conforming with Criteria 3, 4, 5, 6, and 18a, as well as the Criteria and Standards for Operating Rooms at 10A NCAC 14C .2103.

Even if Novant Health's applications were approvable, CMHA believes that the CMC application is the more effective alternative for the five operating rooms needed in Mecklenburg County. In summary, the CMC application is fully conforming to all applicable statutory and regulatory review criteria and comparatively superior on the relevant factors in this review. CMC demonstrates the largest OR deficit in the county, operates within a health system with documented deficits rather than surpluses, provides the broadest scope of services as the only quaternary care provider, Level I trauma center, transplant services provider, and academic medical center in Mecklenburg County, and serves a significantly higher percentage of Medicaid patients. As such, the CMC application submitted by CMHA should be approved and both Novant Health applications should be denied.

***Please note that in no way does CMHA intend for these comments to change or amend its application filed on June 16, 2025. If the Agency considers any statements to be amending CMHA's application, those comments should not be considered.***