

## REQUIRED STATE AGENCY FINDINGS

### FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: July 26, 2023

Findings Date: July 26, 2023

Project Analyst: Tanya M. Saporito

Co-Signer: Lisa Pittman

Project ID #: G-12230-23

Facility: Greensboro Medical Center

FID #: 230130

County: Guilford

Applicant(s): High Point Regional Health System

Project: Develop a new hospital by relocating no more than 36 acute care beds and two operating rooms from High Point Medical Center

### REVIEW CRITERIA

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

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

C

High Point Regional Health System, hereinafter referred to as “the applicant” is proposing to develop a new hospital campus of High Point Regional Medical Center (“HPMC”) to be known as Atrium Health Wake Forest Baptist Greensboro Medical Center, (“Greensboro Medical Center” or GMC) by relocating no more than 36 existing licensed acute care beds and two existing licensed operating rooms (“ORs”) from HPMC. The applicant also proposes to acquire two CT scanners, interventional radiology equipment and one fixed MRI scanner pursuant to Policy TE-3. HPMC is a subsidiary of Advocate Health, Inc., a non-profit health system that operates several hospitals in six counties in North Carolina and other states, including HPMC’s parent company, Wake Forest University Baptist Medical Center. The proposed hospital campus, GMC, will offer acute care, emergency, imaging and ancillary and support services.

#### Need Determination

The proposed project does not involve the addition of any new health service facility beds, services, or equipment for which there is a need determination in the 2023 State Medical Facilities Plan (SMFP). Therefore, there are no need determinations applicable to this review.

### **Policies**

There are two policies in the 2023 SMFP applicable to this review *Policy TE-3: Plan Exemption for Fixed Magnetic Resonance Imaging Scanners* and *Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities*.

*Policy TE-3: Plan Exemption for Fixed Magnetic Resonance Imaging Scanners*, on page 28 of the 2023 SMFP states:

*“The applicant proposing to acquire a fixed magnetic resonance imaging (MRI) scanner shall demonstrate in its certificate of need (CON) application that it is a licensed North Carolina acute care hospital or a hospital campus:*

- 1. that has licensed acute care beds; and*
- 2. that provides emergency care coverage 24 hours a day, seven days a week.*

*The applicant shall demonstrate that the proposed fixed MRI scanner will perform at least 850 weighted MRI procedures during the third full operating year.*

*The performance standards in 10A NCAC 14C .2703 would not be applicable.*

*The proposed fixed MRI scanner:*

- 1. must be located on the main campus of the hospital as defined in G.S. § 131E-176(14n); or*
- 2. must be located at another acute care hospital on a campus that operates under the main hospital’s license.*

*The proposed fixed MRI scanner cannot be located at a site where the inventory in the SMFP reflects that there is an existing or approved fixed MRI scanner in the five years immediately preceding the filing of the CON application.*

*The proposed scanner may operate as part of the hospital, a diagnostic center, or an independent diagnostic testing facility (IDTF) location that does not currently provide fixed MRI services.”*

In Section B, pages 26-27, the applicant documents that the proposed fixed MRI scanner will be located on a campus that operates under the main hospital’s license with acute care beds and 24-hour emergency services and does not currently operate a fixed MRI scanner on the proposed campus. In Section Q, the applicant demonstrates that the proposed fixed MRI scanner will perform at least 850 weighted MRI procedures during the third operating year. The application is consistent with Policy TE-3.

*Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities*, on page 30 of the 2023 SMFP states:

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

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

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

The proposed capital expenditure for this project is greater than \$5 million. In Section B, pages 27-28, the applicant provides a written statement describing the project’s plan to assure improved energy efficiency and water conservation. The applicant states that the proposed project will utilize contractors and architects to assure improved energy efficiency and water conservation in the facility design and will ensure the facility complies with all of the latest North Carolina regulations regarding energy and water conservation.

The applicant adequately demonstrates that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation. The application is consistent with Policy GEN-4.

### **Conclusion**

The Agency reviewed the:

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

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

- The applicant adequately demonstrates that the proposal is consistent with Policy TE-3 as described above.
  - The applicant adequately demonstrates the proposal is consistent with Policy GEN-4 based on its representations that the project includes a plan for energy efficiency and water conservation.
- (2) Repealed effective July 1, 1987.
- (3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, persons with disabilities, the elderly, and other underserved groups are likely to have access to the services proposed.

## C

The applicant proposes to develop a new hospital campus of HPMC to be known as GMC by relocating no more than 36 existing licensed acute care beds and two existing licensed ORs from HPMC. The applicant also proposes to acquire two CT scanners, interventional radiology equipment and one fixed MRI scanner pursuant to Policy TE-3. Upon project completion, the new hospital campus will include, but not be limited to the following services:

- 36 acute care beds, including 32 med-surg beds and four intensive care unit (ICU) beds;
- 12 unlicensed observation beds
- Two operating rooms (ORs)
- Two unlicensed procedure rooms
- 20 emergency department bays
- Imaging services (one general X-ray unit, one fluoroscopy X-ray unit, mammography equipment)
- One fixed MRI scanner
- Two CT scanners
- Two ultrasounds
- One SPECT scanner
- A mobile technology pad for mobile services
- Other diagnostic services, including laboratory and physical, speech, occupational and respiratory therapy services

### **Patient Origin**

The 2023 SMFP defines the service area for acute care bed and operating room services as a single or multi-county grouping as shown in Figure 5.1. The 2023 SMFP defines the service area for a fixed MRI scanner as *“the same as an Acute Care Bed Service area as defined in*

*Chapter 5 and shown in Figure 5.1.*” Thus, the service area for this facility consists of Guilford County regarding acute care beds and fixed MRI scanners. The service area for this facility regarding ORs is the multi-county service area comprising Guilford and Caswell Counties. Facilities may also serve residents of counties not included in their service area.

The following tables from Section C, pages 34-36 illustrate historical patient origin for HPMC for acute care, surgical and emergency services and the entire facility:

**High Point Medical Center Historical Patient Origin  
 Acute Care Services**

COUNTY	LAST FULL FY (7/1/21-6/30/22)	
	# PTS.	% OF TOTAL
Guilford	7,330	51.0%
Randolph	3,960	27.6%
Davidson	1,916	13.3%
Forsyth	547	3.8%
Rockingham	58	0.4%
Other NC Counties*	402	2.8%
Other States	163	1.1%
<b>Total</b>	<b>14,376</b>	<b>100.0%</b>

Source: Application Section C, page 34

\*On page 34, the applicant states “other” includes all other NC counties, each of which represents less than 1% of total patient origin.

**High Point Medical Center Historical Patient Origin  
 Ambulatory Surgical Services**

COUNTY	LAST FULL FY (7/1/21-6/30/22)	
	# PTS.	% OF TOTAL
Guilford	1,750	44.2%
Randolph	1,060	26.8%
Davidson	616	15.5%
Forsyth	211	5.3%
Rockingham	59	1.5%
Other NC Counties*	216	5.5%
Other States	51	1.3%
<b>Total</b>	<b>3,963</b>	<b>100.0%</b>

Source: Application Section C, page 34

\*On page 34, the applicant states “other” includes all other NC counties, each of which represents less than 1% of total patient origin.

**High Point Medical Center Historical Patient Origin  
 Emergency Services**

COUNTY	LAST FULL FY (7/1/21-6/30/22)	
	# PTS.	% OF TOTAL
Guilford	25,582	57.2%
Randolph	10,774	24.1%
Davidson	4,659	10.4%
Forsyth	1,605	3.6%
Rockingham	132	0.3%
Other NC Counties*	1,007	2.3%
Other States	972	2.2%
<b>Total</b>	<b>44,731</b>	<b>100.0%</b>

Source: Application Section C, page 35

\*On page 35, the applicant states "other" includes all other NC counties, each of which represents less than 1% of total patient origin.

**High Point Medical Center Historical Patient Origin  
 Entire Facility**

COUNTY	LAST FULL FY (7/1/21-6/30/22)	
	# PTS.	% OF TOTAL
Guilford	34,662	55.0%
Randolph	15,794	25.0%
Davidson	7,191	11.4%
Forsyth	2,363	3.7%
Rockingham	249	0.4%
Other NC Counties*	1,625	2.6%
Other States	1,186	1.9%
<b>Total</b>	<b>63,070</b>	<b>100.0%</b>

Source: Application Section C, page 36

\*On page 36, the applicant states "other" includes all other NC counties, each of which represents less than 1% of total patient origin.

The following tables from Section C, pages 37-38 illustrate projected patient origin for GMC for the third full fiscal year following project completion for acute care, surgical and emergency services, and the entire facility:

**Greensboro Medical Center Projected Patient Origin  
 Acute Care Beds**

COUNTY	3 <sup>RD</sup> FULL FY (7/1/28-6/30/29)	
	# PTS.	% OF TOTAL
Guilford	972	47.09%
Forsyth	647	31.33%
Rockingham	194	9.39%
Stokes	148	7.19%
Other NC Counties*	103	5.00%
<b>Total</b>	<b>2,065</b>	<b>100.0%</b>

Source: Application Section C, page 37

\*On page 37, the applicant states "other" includes all other NC counties, each of which represents less than 1% of total patient origin.

**Greensboro Medical Center Projected Patient Origin  
 Surgical Cases**

COUNTY	3 <sup>RD</sup> FULL FY (7/1/28-6/30/29)	
	# PTS.	% OF TOTAL
Guilford	843	47.09%
Forsyth	561	31.33%
Rockingham	168	9.39%
Stokes	129	7.19%
Other NC Counties*	89	5.00%
<b>Total</b>	<b>1,789</b>	<b>100.0%</b>

Source: Application Section C, page 37

\*On page 37, the applicant states "other" includes all other NC counties, each of which represents less than 1% of total patient origin.

**Greensboro Medical Center Projected Patient Origin  
 Emergency Department**

COUNTY	3 <sup>RD</sup> FULL FY (7/1/28-6/30/29)	
	# PTS.	% OF TOTAL
Guilford	9,766	47.09%
Forsyth	6,496	31.33%
Rockingham	1,947	9.39%
Stokes	1,491	7.19%
Other NC Counties*	1,037	5.00%
<b>Total</b>	<b>20,736</b>	<b>100.0%</b>

Source: Application Section C, page 38

\*On page 38, the applicant states "other" includes all other NC counties, each of which represents less than 1% of total patient origin.

**Greensboro Medical Center Projected Patient Origin  
Entire Facility**

COUNTY	3 <sup>RD</sup> FULL FY (7/1/28-6/30/29)	
	# PTS.	% OF TOTAL
Guilford	11,581	47.09%
Forsyth	7,703	31.33%
Rockingham	2,309	9.39%
Stokes	1,768	7.19%
Other NC Counties*	1,230	5.00%
<b>Total</b>	<b>24,590</b>	<b>100.0%</b>

Source: Application Section C, page 38

\*On page 38, the applicant states "other" includes all other NC counties, each of which represents less than 1% of total patient origin.

In Section C, page 36, the applicant provides the assumptions and methodology used to project its patient origin. The applicant's assumptions are reasonable and adequately supported based on the following:

- The applicant projects patient origin the proposed inpatient services based on the number of patients projected to originate from the defined service area upon project completion.
- The applicant projects patient origin for surgical cases, ED visits, imaging and other ancillary and support services based on inpatient discharges, which is taken from the proposed service area.
- The applicant's projections are based on the historical patient origin of the cohort of acuity appropriate patients that have been served at HPMC and who are projected to shift to GMC.

**Analysis of Need**

In Section C, pages 39-62, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

- Benefits of enhanced geographic distribution of Guilford County AHWFB acute care beds and ORs in Guilford County – The applicant states the proposed hospital campus, to be located near interstate 840, will enhance patient choice for Greensboro residents and those residents in surrounding communities in Guilford County, particularly those residents who are recipients of Medicare and Medicaid or who are otherwise underserved. The applicant states AHWFB has many clinics and physician offices in Greensboro, and the addition of the proposed hospital campus will more efficiently and effectively serve an existing AHWFB patient base as well as future patients. Additionally, the physicians who practice in Greensboro and who are affiliated with AHWFB will now have a hospital in Greensboro to which they can refer their patients.



The applicant states AHWFB employs thousands of Guilford County residents, 1,053 of whom live in Greensboro and would benefit from a closer facility. (pages 39-46).

- Need for enhanced hospital competition in Greensboro combined with increasing hospital utilization in Guilford County – The applicant states Greensboro is the third largest city in North Carolina, but unlike other large North Carolina cities, Greensboro has one hospital system. The applicant states healthcare choices for Greensboro residents would be beneficial (page 47).

The applicant examined the utilization data for Guilford County hospitals: HPMC, Moses Cone Hospital and Wesley Long Hospital found in the 2019-2023 SMFPs and found that inpatient days of care in Guilford County increased by a compound annual growth rate (CAGR) of 1.7% during that time, despite the anomalous effect of the COVID-19 pandemic on hospital utilization. See the following table from application page 47:

**Guilford County Hospital Inpatient Days of Care, FFY 2017-2021**

FFY 2017	FFY 2018	FFY 2019	FFY 2020	FFY 2021	4-YEAR CAGR
232,290	233,955	242,715	236,865	248,092	1.7%

The applicant referenced the North Carolina Division of Health Service Regulation (DHSR) Acute Care Inpatient Services Patient Origin report to show that in FY 2021, approximately 34% of acute care inpatients served in Guilford County resided in other counties. The applicant states its own patient origin data show that in FY 2022, acute care service patients, emergency patients and outpatient surgery patients receiving care at HPMC came primarily from Guilford County and also counties other than Guilford County (pages 47-49).

- Projected population growth and aging in Guilford County – The applicant cites data from the North Carolina Office of State Budget and Management (NCOSBM) to show that between 2010 and 2020, Guilford County population increased by 10.6%. The NCOSBM data also show that in 2023, over 41% of the Guilford County population is age 45 and over, which substantiates the need for increasing hospital services such as emergency, inpatient and surgical services. Data from NCSOBM also projects that the total Guilford County population will increase by a CAGR of 0.74% from 2023-2029. The 65+ cohort, which will comprise over 60% of the total Guilford County population, is projected to increase by a CAGR of 2.53% during the same time. The applicant cites additional data to show similar population growth projections for the ZIP codes that comprise its total service area.

The applicant states population aging is also an important consideration when planning for hospital services. The applicant cites several data sources in its application to show the incidence of hospital inpatient stays and surgical procedures among those age 65+ is higher than other age groups. Emergency department rates, according to the applicant, are higher for the <1 year group and adults age 75+ (pages 49-56).

- Ongoing Guilford County economic development and increasing traffic congestion – The applicant obtained data from the City of Greensboro Planning Department that shows major commercial, residential and roadway plans are underway for Greensboro and surrounding areas. The applicant states the proposed development helps to ensure increasing migration to Greensboro and thus increasing need for competitive medical services for residents (pages 56-57).
- Guilford County health status – The applicant provided data from the County Health Rankings program that provides information regarding a county’s health based on a conceptual model of health that includes Health Outcomes (length and quality of life in a particular county) and determinants of future health factors based on factors that influence health, such as health behaviors, clinical care, social and economic factors, and physical environment. The applicant states the data from the County Health Rankings show that Guilford County ranks 31<sup>st</sup> in North Carolina. The applicant states an additional hospital campus will provide additional services to Guilford County residents and will help ensure the health and well-being of residents (pages 57-60).
- Redistribution of HPMC licensed acute care beds and ORs to mitigate potential future capacity constraints – The applicant states that, historically, most of its inpatients from the Greensboro area who have sought care at an AHWFB facility sought that care at HPMC. Thus, redistributing existing resources and services to an area that is already served by AHWFB in a city where many of its patients and employees reside is an effective tactic to manage ongoing growth and demand, while mitigating potential future capacity constraints (page 60).
- Physician and facility support for the project – The applicant provides letters of support from physicians, department chairs at Wake Forest School of Medicine and other AHWFB hospital facilities in Exhibit I.2.1 and I.2.2 that show support for the proposed hospital campus (page 61 and Exhibits I.2.1 and I.2.2).
- Need for proposed complement of hospital campus services – The applicant relies on its experience at its other hospital facilities to determine that the proposal for 36 acute care beds, two ORs and two procedure rooms, combined with imaging and ancillary services as proposed is the most effective method by which the applicant can meet present and future demand and serve its patients (pages 61-62).

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

- The applicant relies on data from NCOSBM and other sources to demonstrate historical population growth and aging as well as projected development in the Guilford County service area.
- The applicant adequately demonstrates the need to redistribute acute care, inpatient and surgical services and imaging and ancillary services in the Guilford County service area.

- The applicant provides evidence of physician and community support for the project as proposed.

Projected Utilization

In Section Q, Form C.1b, the applicant provides projected utilization for acute care beds as illustrated in the following table:

**Greensboro Medical Center Projected Utilization Acute Care Beds**

<b>GMC ACUTE CARE BEDS</b>	<b>1<sup>ST</sup> FY (7/1/26-6/30/27)</b>	<b>2<sup>ND</sup> FY (7/1/27-6/30/28)</b>	<b>3<sup>RD</sup> FY (7/1/28-6/30/29)</b>
Total # Beds	36	36	36
# Discharges	1,669	1,865	2,065
# Patient Days	7,779	8,691	9,618
Average Length of Stay	4.66	4.66	4.66
Occupancy Rate	59.2%	66.1%	73.2%

In Section Q, Form C.2b, the applicant provides projected utilization for proposed medical equipment as illustrated in the following table:

**Greensboro Medical Center Projected Utilization Medical Equipment**

<b>MEDICAL EQUIPMENT</b>	<b>1<sup>ST</sup> FY (7/1/26-6/30/27)</b>	<b>2<sup>ND</sup> FY (7/1/27-6/30/28)</b>	<b>3<sup>RD</sup> FY (7/1/28-6/30/29)</b>
<b>CT Scanner</b>			
# Units	2	2	2
# Scans	3,915	4,374	4,841
# HECT Units	5,422	6,508	6,704
<b>Fixed X-Ray (Including Fluoroscopy)</b>			
# Units	2	2	2
# Procedures	5,673	6,338	7,013
<b>Mammography</b>			
# Units	1	1	1
# Procedures	242	270	299
<b>MRI Scanner</b>			
# Units	1	1	1
# Procedures	640	715	791
# Weighted Procedures	954	1,066	1,180
<b>Nuclear Medicine</b>			
# Units	1	1	1
# Procedures	464	518	574
<b>Ultrasound</b>			
# Units	2	2	2
# Procedures	1,152	1,287	1,424
<b>Other Medical Equipment</b>			
# Units	1	1	1
# Procedures	482	538	596

In Section Q, Form C.3b, the applicant provides projected utilization for proposed ORs as illustrated in the following table:

<b>Greensboro Medical Center Projected Utilization Operating Rooms</b>			
<b>OPERATING ROOMS</b>	<b>1<sup>ST</sup> FY (7/1/26-6/30/27)</b>	<b>2<sup>ND</sup> FY (7/1/27-6/30/28)</b>	<b>3<sup>RD</sup> FY (7/1/28-6/30/29)</b>
Total # ORs (shared)	2	2	2
<b>Surgical Cases</b>			
# Inpatient Cases	582	648	715
# Outpatient Cases	874	974	1,074
Total Surgical Cases	1,456	1,622	1,789
<b>Case Times</b>			
Inpatient Case Times	129	129	129
Outpatient Case Times	93.1	93.1	93.1
<b>Surgical Hours</b>			
Inpatient	1,251	1,393	1,537
Outpatient	1,357	1,511	1,667
Total Surgical Hours	2,608	2,904	3,204
<b># ORs Needed</b>			
Group Assignment	4	4	4
Std. Hrs/OR/Year	1,500	1,500	1,500
Total Surgical Hrs/Std Hrs/OR/Year	1.74	1.94	2.14

In Section Q, Form C.4.b, page 136 the applicant provides projected utilization of the additional components of the hospital campus proposal. The table is not duplicated in these Agency Findings because those components are not reviewable as part of this application.

In Section Q, *Form C Assumptions and Methodology*, pages 137-164, the applicant provides the assumptions and methodology used to project utilization at GMC for acute care beds, observation beds, emergency services, ORs and imaging and ancillary services, as summarized below:

*Step 1: Identify GMC Service Area*

Relying on 2018-2022 AHWFB system inpatient discharge data, the applicant identified ZIP codes of patients who could be served by the GMC campus based on services proposed for the new campus. The applicant did not include patient discharge information from patients receiving services that would not be provided by GMC. The applicant identified 24 ZIP codes in its proposed service area that could be served by GMC, as illustrated in the table and maps on application pages 138-139.

*Step 2: Define non-tertiary inpatient services and describe parameters of GMC service acuity*

The applicant examined the historical proposed service area discharges in *Medical Severity Diagnosis Related Groups (MS-DRGs)* at HPMC. The applicant states that, given the limited number of beds and ORs proposed for the GMC campus, it excluded some of the higher rated acuity cases from the projections of acute care days at GMC. The applicant provides a table

on application page 141 that identifies the ten major diagnostic categories anticipated to be served at GMC.

*Step 3: Project GMC acute care discharges and inpatient days for medicine and surgery*

To project the number of acuity appropriate days of care that will be provided at GMC to the patient population described in *Step 1*, the applicant assumes that these patients will increase at a rate consistent with the CY 2019 to CY 2021 Compound Annual Growth Rate (CAGR) of HPMC acute care days, or by a CAGR of 0.80%. The applicant states that its projections are conservative and reasonable considering the historical growth and projected population growth in the service area. The applicant states, as additional evidence that the projections are reasonable, the projected growth of the 65+ population is 3.11%.

*Medical and Surgical Discharges*

The applicant states that, historically, the distribution of patients between medical and surgical discharges for its historical acute care patient base at HPMC was 66.48% and 33.52% respectively. The applicant projects the same distribution between medical and surgical discharges at the proposed GMC campus.

Additionally, the applicant projects that patients from the ZIP codes identified as its proposed service area will shift their care to the GMC campus based on proximity to the proposed campus, access to the services to be offered at that campus, HPMC's experience serving patients from those ZIP codes and physician support. The applicant projects a ramp up in the number of those patients who will seek care at the proposed GMC campus through the third project year, FY 2029. The applicant provides several tables to illustrate the patient ZIP code origins and the projected shift in patients to the proposed GMC campus in Section Q, pages 142-147.

*In-Migration to GMC from outside the service area*

The applicant assumes a 5% in-migration from counties outside the proposed GMC service area, based on analysis of the *2022 DHSR Patient Origin Report by Facility*, which provides historical in-migration rates for existing Guilford County hospitals and other hospitals in the state.

*Average length of stay*

To project inpatient days of care for acuity appropriate patients who will be served at GMC, the applicant examined CY 2018-2022 weighted average length of stay (ALOS) for the AHWFB service area medical surgical discharges who will be served at GMC and multiplied the projected discharges by the ALOS. The applicant provides a table in Section Q page 150 to illustrate the projected GMC acute care discharges and patient days of care.

*ICU bed utilization*

To project ICU bed utilization at the proposed GMC campus, the applicant relied on historical ICU bed utilization at HPMC but projected that ICU days at GMC will be lower than at HPMC because GMC is projected to have lower acute care patient acuity than HPMC. The applicant projects a gradual ramp-up in ICU days from 6% to 11% in project years one through three (FY 2027-2029). The applicant provides a table to illustrate the ICU days of care in Section Q, page 151.

The following table, from Section Q page 151, illustrates the projections summarized above:

**GMC Projected Acute Care Occupancy**

	<b>PY 1 (FY 2027)</b>	<b>PY 2 (FY 2028)</b>	<b>PY 3 (FY 2029)</b>
Med/Surg DOC*	7,312	7,952	8,560
# Med/Surg Beds	32	32	32
Med/Surg Occupancy	62.6%	68.1%	73.3%
ICU DOC	467	739	1,058
# ICU Beds	4	4	4
ICU Occupancy	32.0%	50.6%	72.5%
Total DOC	7,779	8,691	9,618
Total # Beds	36	36	36
Total GMC Occupancy	59.2%	66.1%	73.2%

\*Days of Care

*Step 4: Determine Emergency Room Utilization*

To project emergency department (ED) utilization at GMC, the applicant reviewed historical ED utilization at all North Carolina hospitals that had acute care discharges during FY 2021 that are comparable to acute care discharges experienced at HPMC (between 1,500 and 3,000 acute care discharges). The applicant provides a table in Section Q page 152 that illustrates the 25 hospitals for which it reviewed acute care discharge information. That table shows that the average percentage of inpatient discharges that were admitted from the ED in those hospitals was 74.4%. That same data shows that on average, 7.41% of those inpatient discharges that were admitted from the ED also had an acute care hospital stay. The applicant projected GMC discharges that would originate from the ED by applying the 7.41% to projected GMC discharges and provides a table to illustrate the projected ED visits in Section Q page 154. The applicant determined, based on its experience operating a hospital ED and information regarding ED guidelines from the American College of Emergency Physicians (ACEP), that 20 ED bays would accommodate the projected ED visits at GMC. The applicant provides a table to illustrate its projections and the data obtained from the ACEP in Section Q, pages 154-155.

*Step 5: Imaging and ancillary services utilization*

The applicant states that imaging and ancillary services are essential to a hospital, and the applicant proposes to acquire, as part of this project, the following imaging equipment to be developed at the proposed GMC campus:

- Two CT scanners

- One unit of interventional radiology equipment
- One MRI scanner pursuant to Policy TE-3
- Six units of imaging equipment (two X-ray/fluoroscopy, two ultrasound and two mammography units)

In Criterion 1 at the beginning of these Agency Findings, the applicant demonstrated conformity with Policy TE-3 for acquisition of the proposed MRI scanner. Pursuant to Policy TE-3, the Performance Standards promulgated at 10A NCAC 14C .2700 do not apply to this review. Likewise, there are no other Performance Standards that apply to the acquisition of any of the equipment listed above. However, the applicant included the following utilization methodology to demonstrate that the proposed equipment is needed at the GMC campus.

To project utilization of the proposed equipment, the applicant reviewed inpatient and outpatient utilization of similar existing services at other AHWFB facilities including HPMC, as shown in the table in Section Q page 156. For each proposed service, the applicant calculated the number of procedures per day for each facility. The applicant also analyzed the per day average for non-reviewable services such as therapy, laboratory services and observation days. Since those services are not subject to CON review, they will not be analyzed in this review.

The applicant notes that HPMC experienced the lowest “*per day ratio*” in each category; therefore, to be conservative, the applicant utilized the historical HPMC ratio to project utilization of each of the imaging services proposed for the GMC campus, including the proposed fixed MRI scanner. The applicant multiplied the projected GMC acute care patient days from *Step 4* by the respective historical ratios per acute care day at HPMC as shown on page 156. The applicant provides tables to illustrate the projections in Section Q, pages 157-159.

#### *Step 6: Project observation bed utilization*

The applicant proposes 12 observation beds as part of this proposal. As with other services, to project observation bed utilization, the applicant examined historical observation bed utilization at its affiliated AHWFB acute care facilities and determined the most reasonable measure by which to project utilization at the proposed GMC campus would be HPMC, located in Greensboro. The applicant states HPMC’s internal data shows that in FY 2022, HPMC provided 2,213 observation days and 57,235 acute care days, which is a ratio of 0.04 observation days to acute care days ( $2,213/57,235 = 0.0387$ ). The applicant therefore projects observation bed utilization at GMC using a 0.04 ratio (observation days to acute care days) and provides a table to illustrate those projections in Section Q page 160. The applicant notes that observation days may increase in the future, because many patients are increasingly admitted to observation status rather than inpatient status. Additionally, the applicant states that the recent experience with the COVID-19 pandemic demonstrated that hospitals need the flexibility of additional space that observation beds provide to meet unexpected demand.

#### *Step 7: Project operating room utilization*

To project the number of inpatient surgical cases at GMC, the applicant relied on the projected acute care discharges from *Step 4*, including the assumed 5% in-migration. The applicant projects that it will perform one inpatient surgical case for each inpatient surgery discharge, which equates to 715 inpatient surgical cases in the third project year, FY 2029. The applicant provides a table in Section Q page 161 to illustrate inpatient surgery case projections.

To project the number of outpatient surgical cases at GMC, the applicant analyzed the ratio of hospital-based outpatient surgical cases to inpatient surgical cases, excluding outpatient cases performed at ambulatory surgical facilities, for residents of the 24 ZIP codes projected to be served at GMC, during CY 2018-2022. The applicant calculated a 1.5 average ratio of hospital-based outpatient surgical cases to inpatient surgical cases, as shown in the table in Section Q page 161. The applicant applied that 1.5 ratio to projected surgical cases to project the number of outpatient surgical cases to be performed at GMC. The applicant provides a table to illustrate those projections in Section Q, page 162. To test the reasonableness of its projections, the applicant examined the historical inpatient/outpatient surgery ratio for the projected population to be served at GMC historically served at AHWFB hospitals for the same time period. The applicant provides a table to illustrate the historical data in Section Q page 162, which shows the average ratio of inpatient/outpatient surgical cases at AHWFB facilities for the same time period was 1.79.

According to the 2023 SMFP, the proposed GMC campus group assignment is Group 4. Using HPMC inpatient case time of 129.0 and outpatient case time of 93.1, the applicant projected total surgical hours to be performed at GMC, as shown in the table in Section Q page 163. The 2023 SMFP also indicates that Group 4 hospitals have 1,500 standard hours per operating room per year. Relying on this information, the applicant provides a table in Section Q page 162 that illustrates a need for 2 ORs at the proposed GMC campus in all three project years.

#### *Step 8: Project procedure room utilization*

To project procedure room utilization at the proposed GMC campus, the applicant analyzed HPMC's historical utilization as it did with its analysis of imaging and observation services described in *Steps 5 and 6*. The applicant states its use of historical HPMC utilization is reasonable because the proposed campus will be located in Greensboro, licensed as part of HPMC and already has a wide physician base in place. The applicant states that in FY 2022, HPMC's ratio of procedure room procedures to OR cases was 0.53; therefore, the applicant applied this same ratio to project future procedure room utilization at the proposed GMC campus. The applicant provides a table in Section Q page 164 to illustrate those projections.

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

- The applicant relied on its historical utilization of acuity appropriate patients that were historically admitted to HPMC to project future utilization at the proposed GMC campus.
- The applicant reasonably projects a shift of acute care and imaging patients to GMC upon project completion.



- The applicant accounts for decreased utilization of its existing services during the COVID-19 pandemic and adjusts its projections based on historical data.
- The applicant projects utilization using less than the historical CAGR of growth in patient days from CY 2018 – CY 2022, and equivalent to the Guilford County projected population growth rate from 2022-2029.
- The applicant used historical data from HPMC as a benchmark for its projections at the proposed GMC campus, because the patients proposed to be served at the GMC campus are essentially representative of the historical patients served at HPMC.
- The applicant provides evidence of physician support which also indicates that many of the physicians who will serve GMC patients also reside in Greensboro and surrounding areas.

**Access to Medically Underserved Groups**

In Section C, page 67, the applicant states:

*“Operating under the HPMC hospital license, GMC will provide services to all persons in need of medical care. Consistent with other AHWFB facilities in Guilford County, all Guilford County residents (plus residents of other counties), including low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, Medicare and Medicaid beneficiaries, and other underserved groups, will have access to GMC, as clinically appropriate.”*

The applicant provides the estimated percentage for each medically underserved group in the third full fiscal year based on combined historical access to inpatient hospital services by the same groups at HPMC, as shown in the following table.

<b>Medically Underserved Groups</b>	<b>Percentage of Total Patients</b>
Low-income persons	13.3%
Racial and ethnic minorities	35.3%
Women	54.1%
Persons with Disabilities	7.8%
Persons 65 and Older	54.1%
Medicare beneficiaries	52.2%
Medicaid recipients	18.6%

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

- The applicant states that it will provide service to all residents of the service area, including underserved groups, without regard for anything other than the need for medical care.

- The applicant has a history of providing access to all persons, including underserved groups at HPMC and other AHWFB facilities.
- The applicant provides documentation of its existing policies regarding non-discrimination and financial access in Exhibit C.6.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency
- Comments
- Response to comments
- Remarks made at the public hearing

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

- (3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups and the elderly to obtain needed health care.

### C

The applicant proposes to develop a new hospital campus of HPMC to be known as GMC by relocating no more than 36 existing licensed acute care beds and two existing licensed ORs from HPMC. The applicant also proposes to acquire two CT scanners, interventional radiology equipment and one fixed MRI scanner pursuant to Policy TE-3.

The applicant proposes to relocate existing acute care beds and licensed ORs within the Guilford/Caswell County operating room service area from HPMC. As discussed below, upon project completion, both HPMC and GMC will still have enough acute care and OR capacity to meet the needs of the population currently served.

In Section D, pages 72-74, the applicant explains why it believes the needs of the population presently utilizing the services to be relocated will be adequately met following completion of the project. On page 72, the applicant states:

*“Following reduction of 36 acute care beds and two ORs, the main campus of HPMC will be licensed with 271 acute care beds and nine operating rooms.*

*According to the 2023 SMFP (p. 39), HPMC currently has a surplus of 76 acute care beds; therefore, according to the 2023 SMFP, the main campus of HPMC would continue to have a surplus of 40 acute care beds ( $76-36=40$ ) following relocation of 36 acute care beds to establish the new Greensboro hospital campus. Also according to the 2023 SMFP (p. 70), HPMC currently has a surplus of 2.67 ORs; therefore, according to the 2023 SMFP, the main campus of HPMC would continue to have a surplus of ORs ( $2.67-2=0.67$ ) following relocation of two ORs to establish the new Greensboro hospital campus. The proposed project will not reduce or eliminate any patient's ability to obtain acute care or surgical services at the HPMC main campus, as HPMC main campus will continue to have sufficient acute care beds and operating rooms on its license to meet projected need in the near term."*

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

- The applicant is relocating existing acute care and surgical services within the same county and will license those services on the HPMC hospital license.
- The 2023 SMFP reports a surplus of both acute care beds and ORs at HPMC and relocating those services will reduce that surplus.
- The applicant reasonably projects that patients currently receiving acute care and surgery services at HPMC, will continue to receive those services following project completion.

In Section Q, Forms D.1 and D.3, pages 165-166, the applicant provides projected utilization at HPMC for acute care and surgical services for the interim and first operating years following relocation of the beds and ORs as proposed in this application.

In Section Q, *Form D Assumptions and Methodology*, pages 167-171, the applicant provides the assumptions and methodology used to project utilization, which is summarized below:

#### *Acute Care Utilization*

The applicant begins its projections by analyzing historical acute care bed utilization at HPMC. The applicant calculated a compound annual growth rate (CAGR) in days of care (DOC) of 0.03% from FFY 2018-2022, and 1.92% from FFY 2020-2022. The applicant states the utilization shows a variable growth rate that reflects anomalous utilization during the COVID-19 pandemic.

The applicant assumes that DOC utilization will increase through FFY 2027 (the first full year following project completion) by 0.74% annually from FY 2022. The applicant states this projected growth is equivalent to the projected Guilford County population growth rate shown by the applicant in Section C, is lower than the projected population growth of the 65+ cohort in Guilford County but consistent with the overall projected population growth and smooths

the historical variation in DOC at HPMC from FFY 2018-2022. See the tables in Section Q, pages that illustrate historical and projected acute care utilization.

The applicant states its fiscal year is July-June, so it converted the FFY projections to HPMC FY projections by adding 25% of the prior FFY to 75% of the current FY. See the table on page 168 in Section Q that illustrates the conversion projections.

To project days of care at GMC, the applicant subtracted days of care projected to shift to GMC from HPMC. The applicant projects that 21.3% of the total acute care patient days projected at GMC in FY 2027 will shift from HPMC. The applicant provides a table to illustrate acute days of care that will be served at HPMC following the proposed bed relocation. The applicant projects occupancy at HPMC following the bed relocation will be 56.5% in FY 2027, the first project year, as shown in the following table from Section Q, page 169:

**HPMC Acute Care Projected Utilization**

	<b>FFY 2023</b>	<b>FFY 2024</b>	<b>FFY 2025</b>	<b>FFY 2026</b>	<b>FFY 2027*</b>
Patient Days	55,833	56,249	56,668	57,090	57,515
GMC Patient Days	--	--	--	--	1,655
Patient Days HPMC	55,833	56,249	56,668	57,090	56,860
Acute Care Beds at HPMC	307	307	307	307	271
HPMC Occupancy	49.8%	50.2%	50.6%	50.9%	56.5%

\*The applicant states this includes relocation of 36 acute care beds to GMC.

*Operating Room Utilization*

To project OR utilization at HPMC, the applicant analyzes historical surgical utilization from FFY 2018-2022. The applicant states total historical utilization of surgical services at HPMC increased by a CAGR of 4.05% from FFY 2018-2022, and 1.92% from FFY 2020-2022. The applicant states inpatient surgical cases declined during FY 2020-2022 as a result of the COVID-19 pandemic, but that decrease was anomalous and is not expected to continue.

The applicant projects inpatient surgical volume to remain flat at the FY 2022 volume through the first year of the project. The applicant states outpatient surgical volume increased by 12% annually since FY 2018, and states outpatient surgical growth will increase by 0.74% annually, equal to the projected Guilford County population growth CAGR projections from the NCOSBM for Guilford County population growth.

Because the applicant’s fiscal year is July-June, it converted the FFY projections to HPMC FY projections by adding 25% of the prior FFY to 75% of the current FY. The following table from Section Q, page 170 illustrates projected surgical utilization at HPMC:

**HPMC Projected Surgical Utilization**

	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>CAGR</b>
Inpatient Cases	2,541	2,541	2,541	2,541	2,541	0.00%
Outpatient Cases	4,123	4,154	4,185	4,216	4,247	0.74%
<b>Total</b>	<b>6,664</b>	<b>6,695</b>	<b>6,726</b>	<b>6,757</b>	<b>6,788</b>	<b>0.46%</b>

Totals may not sum due to rounding.

The applicant then subtracted the surgical cases projected to shift to GMC following the OR relocation. As with acute days of care, the applicant projects that 21.3% of surgical cases were at HPMC and 78.7% were performed at other AHWFB hospitals. The following table, from Section C page 171 illustrates projected surgical utilization at HPMC following relocation of the ORs as proposed in this application:

<b>HPMC Projected Surgical Utilization Following OR Relocation</b>					
	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
Total IP Surgical Cases	2,541	2,541	2,541	2,541	2,541
Total OP Surgical Cases	4,123	4,154	4,185	4,216	4,247
GMC IP Surgical Cases	--	--	--	--	124
GMC OP Surgical Cases	--	--	--	--	186
IP Surgical Cases to Remain at HPMC	2,541	2,541	2,541	2,541	2,417
OP Surgical Cases to Remain at HPMC	4,123	4,154	4,185	4,216	4,061
IP Surgical Hours at HPMC	5,463	5,463	5,463	5,463	5,197
OP Surgical Hours at HPMC	6,397	6,445	6,493	6,541	6,301
Total Surgical Hours at HPMC	11,861	11,908	11,956	12,004	11,498
Standard Hours / OR / Year	1,500	1,500	1,500	1,500	1,500
Total Surgical Hours/Std Hours/OR					7.67
Number of ORs at HPMC	10	10	10	10	8
<b>OR Deficit/(Surplus)</b>					<b>(0.33)</b>

Totals may not sum due to rounding.

In Section Q, page 171, the applicant states that the 2023 SMFP reports that HPMC is a Group 4 hospital, since it reports less than 15,000 surgical hours. As a Group 4 hospital, the standard for surgical hours is 1,500 per OR per year. Therefore, following the relocation of two ORs as proposed in this application, HPMC has a projected OR surplus of 0.33 in FY 2027, the first full FY following the proposed OR relocation. On page 171, the applicant states:

*“...HPMC has sufficient OR capacity to meet projected demand. HPMC expects that surgical growth in Guilford County will likely trigger a need determination for additional operating rooms in future SMFPs. HPMC will continue to monitor facility-specific needs and pursue opportunities for developing additional OR capacity as appropriate in the future.”*

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

- The applicant relies on historical utilization of acute care patient days and surgical cases at HPMC to project future growth.
- The applicant projects growth in acute care days and surgical cases using a growth rate less than actual historical growth and consistent with NCOSBM projected population growth in Guilford County from FY 2022-2028.
- The proposed relocation of acute care beds and ORs is within the same county.

**Access to Medically Underserved Groups**

In Section D, page 73, the applicant states:

*“HPMC will continue to offer acute care services (including emergency care, inpatient and outpatient acute care bed and surgical services) at its current High Point main campus location, and therefore, this acute care bed and operating room relocation project will have no negative impact on the ability of any [underserved groups] to obtain services.”*

The applicant adequately demonstrates that the needs of medically underserved groups that will continue to use acute care and surgical services at HPMC will be adequately met following project completion because the applicant proposes to serve the same population following the relocation of services as proposed in this application.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Comments
- Response to comments
- Remarks made at the public hearing

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

- The applicant adequately demonstrates that the needs of the population currently using the services to be reduced, eliminated, or relocated will be adequately met following project completion for all the reasons described above.
- The applicant adequately demonstrates that the project will not adversely impact the ability of underserved groups to access these services following project completion for all the reasons described above.

- (4) Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.

### C

The applicant proposes to develop a new hospital campus of HPMC to be known as GMC by relocating no more than 36 existing licensed acute care beds and two existing licensed ORs from HPMC. The applicant also proposes to acquire two CT scanners, interventional radiology equipment and one fixed MRI scanner pursuant to Policy TE-3.

In Section E, pages 76-78, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintain the Status Quo – The applicant states Atrium Health Wake Forest Baptist operates acute care beds and operating rooms in High Point, although many of its patients and employees reside in Greensboro, where the population is projected to grow. The applicant states that without the proposed project, Greensboro patient who have historically sought medical and emergency care at HPCM would continue to have to travel to High Point or another Atrium Health location for their care. This would leave barriers to access that are currently in place and would limit HPMC's ability to effectively and cost efficiently serve its existing and projected patient population. Therefore, this is a less effective alternative.
- Relocate a different number of acute care beds and/or services – The applicant states the project as proposed is sized to balance the needs of its patients residing in Greensboro and those currently served by HPMC in High Point. The applicant analyzed those residents and the physicians and other employees residing in the Greensboro area and determined that relocating a different number of beds and ORs would not meet the needs of existing and projected patients at either location. Relocating fewer beds would not meet the needs of the physicians that plan to admit these patients to GMC; additionally, relocating more beds would leave less capacity at HPMC. Therefore, this is the less effective alternative.
- Establish the proposed hospital campus at a different location – The applicant states it selected the proposed location because of its proximity to major thoroughfares in the Greensboro area, thus making access easier for patients. Additionally, the applicant states it is currently developing an ambulatory surgical facility at the same location, where zoning, electrical and water services are already established. The applicant states the proposed location is the best location to effectively meet its patients needs.

On page 78, the applicant states that its proposal is the most effective alternative that will provide a convenient and cost effective alternative for area residents without unnecessarily duplicating existing health care services.

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

- The applicant provides credible data regarding population growth and access in the Greensboro service area.
- The applicant provides credible data that shows historical utilization of HPMC's surgical and acute care services, and the potential number of patients that will be referred to GMC by local physicians.

- The applicant provides reasonable information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria. Therefore, the application can be approved.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Comments
- Response to comments
- Remarks made at the public hearing

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above. Therefore, the application is approved subject to the following conditions:

- 1. High Point Regional Health System (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holder shall develop a hospital campus, Atrium Health Wake Forest Baptist Greensboro Medical Center (Greensboro Medical Center), to be licensed as a campus of High Point Medical Center, by relocating no more than 36 existing acute care beds and two operating rooms from High Point Medical Center.**
- 3. The certificate holder shall also develop no more than 12 unlicensed observation beds, two procedure rooms, 20 emergency department bays, two fixed CT scanners, one general radiology X-ray unit, one fluoroscopy X-ray unit, two ultrasound units, one SPECT scanner, one mammography unit and one fixed MRI pursuant to Policy TE-3.**
- 4. Upon completion of the project, Greensboro Medical Center shall be licensed for no more than 36 acute care beds, two operating rooms, two fixed CT scanners and one fixed MRI scanner.**
- 5. Progress Reports:**
  - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at:**  
<https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.



- b. **The certificate holder shall complete all sections of the Progress Report form.**
  - c. **The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
  - d. **The first progress report shall be due on December 1, 2023.**
6. **The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
7. **The certificate holder shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.**
8. **The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**
- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

The applicant proposes to develop a new hospital campus of HPMC to be known as GMC by relocating no more than 36 existing licensed acute care beds and two existing licensed ORs from HPMC. The applicant also proposes to acquire two CT scanners, interventional radiology equipment and one fixed MRI scanner pursuant to Policy TE-3.

**Capital and Working Capital Costs**

In Section Q, Form F.1a, the applicant projects the total capital cost of the project as shown in the table below:

Site Costs	\$23,900,000
Construction Costs	\$159,600,606
Miscellaneous Costs	\$63,000,400
<b>Total</b>	<b>\$246,501,006</b>

In Section Q, Form F.1a, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- The projected costs are based on the applicant’s or its parent company’s experience with developing other hospitals in North Carolina and other states.
- The construction costs are based on licensed architects and contractors who have experience with hospital construction.
- The equipment quotes are based on vendor quotes for medical and non-medical equipment.

In Section F, pages 81-82, the applicant projects that start-up costs will be \$3,153,173. The applicant does not project initial operating expenses for the project. On page 82, the applicant provides the assumptions and methodology used to project the start-up costs associated with the project. The applicant adequately demonstrates that the projected start-up costs for the project are based on reasonable and adequately supported assumptions based on the following:

- Start-up costs are based on the applicant’s projections related to facility preparation, equipment set-up, facility rent and utilities, and other costs associated with project development.
- Additional start-up costs are based on the applicant’s projections related to staff training, general overhead expenses and other expenses prior to offering services at GMC.

**Availability of Funds**

In Section F, page 79, the applicant states that the capital cost will be funded as shown in the table below:

**Sources of Capital Cost Financing**

TYPE	HIGH POINT REGIONAL HEALTH	TOTAL
Loans	\$0	\$0
Accumulated reserves or OE*	\$246,501,006	\$246,501,006
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
<b>Total Financing</b>	<b>\$246,501,006</b>	<b>\$246,501,006</b>

\*OE = Owner’s Equity

In Section F, page 82, the applicant states that the working capital needs of the project will be funded, as shown in the table below:

**Sources of Start-Up Cost Financing**

TYPE	HIGH POINT REGIONAL HEALTH	TOTAL
Loans	\$0	\$0
Accumulated reserves or OE*	\$3,153,173	\$3,153,173
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
<b>Total Financing</b>	<b>\$3,153,173</b>	<b>\$3,153,173</b>

\*OE = Owner's Equity

In Exhibit F.2, the applicant provides a letter dated January 26, 2023, signed by the Senior Vice President and Chief Financial Officer for Atrium Health Wake Forest Baptist confirming the availability of financial reserves up to \$275 million for the capital needs and start-up costs associated with the project. The letter also confirms the applicant's commitment of the same amount of accumulated reserves to fund the cost of the proposed project.

Exhibit F.2 also contains a copy of the audited financial statements for Atrium Health Wake Forest Baptist for the period ended September 30, 2022 that confirms sufficient accumulated reserves to fund the projected capital requirements of the proposed project. The applicant adequately demonstrates the availability of sufficient funds for the capital needs and start-up costs for the project based the information provided in Section F and Exhibit F.2 of the application.

**Financial Feasibility**

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. The applicant provided Forms F.2b for each service component proposed for GMC, for the proposed hospital as a whole, and for its parent company, High Point Medical Center. In Form F.2b for the proposed GMC campus inpatient services, the applicant projects that revenues will not exceed operating costs for the first three full fiscal years (July 1-June 30) following project completion, as shown in the following table:

GREENSBORO MEDICAL CENTER	1 <sup>ST</sup> FULL FY FY 2027	2 <sup>ND</sup> FULL FY FY 2028	3 <sup>RD</sup> FULL FY FY 2029
Total Patient Days of Care*	7,779	8,691	9,618
Total Gross Revenue	\$147,226,882	\$168,519,163	\$191,063,415
Total Net Revenue	\$34,579,590	\$39,580,568	\$44,875,599
Average Net Revenue per Patient Day	\$4,445	\$4,554	\$4,666
Total Operating Expenses (Costs)	\$50,620,340	\$54,628,001	\$58,342,166
Average Operating Expense per Patient Day	\$6,507	\$6,286	\$6,066
Net Income	(\$16,040,750)	(\$15,047,433)	(\$13,466,567)

\*See Form C.1b, Section Q

In Form F.2b for High Point Medical Center, which the applicant states includes the proposed GMC campus, the applicant projects that revenues will exceed operating costs for the first

three full fiscal years (July 1-June 30) following project completion, as shown in the following table:

<b>HIGH POINT MEDICAL CENTER</b>	<b>1<sup>ST</sup> FULL FY FY 2027</b>	<b>2<sup>ND</sup> FULL FY FY 2028</b>	<b>3<sup>RD</sup> FULL FY FY 2029</b>
Total Gross Revenue	\$1,626,678,866	\$1,679,592,127	\$1,734,227,266
Total Net Revenue	\$391,349,972	\$404,010,042	\$417,080,338
Total Operating Expenses (Costs)	\$381,642,404	\$394,599,757	\$408,033,022
Net Income	\$9,707,568	\$9,410,285	\$9,047,316

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q. In Section Q, page 187, the applicant states that although the Form F.2b for the GMC campus shows a negative income in all three project years, the pro formas for High Point Medical Center, which include the GMC campus, show a positive net income in all three project years. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- Projected charges and revenues are based on reasonable and adequately supported assumptions.
- Projected operating expenses are based on reasonable and adequately supported assumptions.
- The parent hospital, High Point Medical Center, reasonably projects a positive cash flow in all three project years following project completion.
- The Forms F.2b for each service component proposed for GMC show a positive cash flow in all three project years following project completion.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Comments
- Response to comments
- Remarks made at the public hearing

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

- The applicant adequately demonstrates that the capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
  - The applicant adequately demonstrates availability of sufficient funds for the capital and capital needs of the proposal for all the reasons described above.
  - The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.
- (6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

C

The applicant proposes to develop a new hospital campus of HPMC to be known as GMC by relocating no more than 36 existing licensed acute care beds and two existing licensed ORs from HPMC. The applicant also proposes to acquire two CT scanners, interventional radiology equipment and one fixed MRI scanner pursuant to Policy TE-3.

The 2023 SMFP defines the service area for acute care bed and operating room services as a single or multi-county grouping as shown in Figure 5.1. The 2023 SMFP defines the service area for a fixed MRI scanner as “*the same as an Acute Care Bed Service area as defined in Chapter 5 and shown in Figure 5.1.*” Thus, the service area for this facility consists of Guilford County with regard to acute care beds and fixed MRI scanners. The service area for this facility with regard to ORs is the multi-county service area comprising Guilford and Caswell Counties. Facilities may also serve residents of counties not included in their service area.

Table 5A on page 39 of the 2023 SMFP shows two facilities in Guilford County have acute care beds as shown in the following table:

<b>FACILITY</b>	<b>NUMBER OF ACUTE CARE BEDS</b>
Cone Health	709
High Point Health System	301
<b>Total</b>	<b>1,010</b>

The following table identifies the existing and approved ORs located in the multicounty service area of Guilford and Caswell counties, from Table 6A, page 58 of the 2023 SMFP:

FACILITY	IP ORs	OP ORs	SHARED ORs	EXCLUDED C-SECTION, TRAUMA, BURN ORs	CON ADJUSTMENTS	TOTAL SURGICAL HOURS
High Point Surgery Center	0	6	0	0	0	3,671.0
Premier Surgery Center	0	2	0	0	0	1,174.0
High Point Regional Health	3	0	8	-1	0	11,233.8
<b>Atrium Health Total</b>	<b>3</b>	<b>8</b>	<b>8</b>	<b>-1</b>	<b>0</b>	
North Elam ASC	0	0	0	0	5	0.0
Cone Health	4	13	29	-1	-5	64,512.7
<b>Moses H. Cone Total</b>	<b>4</b>	<b>13</b>	<b>29</b>	<b>-1</b>	<b>0</b>	
Greensboro Specialty SC	0	3	0	0	0	1,070.3
Surgical Center of Greensboro	0	13	0	0	0	12,441.2
<b>Surgical Care Affiliates Total</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Valleygate Dental SC*	0	2	0	0	0	1,661.6
Surgical Eye Center	0	4	0	0	0	1,116.1
Piedmont Surgical Center	0	2	0	0	0	0.0
Kindred Hospital - Greensboro	0	0	1	0	0	172.7
<b>Guilford/Caswell Total ORs</b>	<b>7</b>	<b>45</b>	<b>38</b>	<b>-1</b>	<b>0</b>	

\*Valleygate Dental Surgery Center of the Triad is a single-specialty ambulatory surgical facility. The ORs are counted in the inventory but do not factor into need determinations.

The following table identifies the existing and approved fixed MRI scanners located in Guilford County, from Table 17E-1, page 342 of the 2023 SMFP:

FIXED MRI SCANNERS IN GUILFORD COUNTY			
PROVIDER	# OF FIXED MRI SCANNERS	TOTAL MRI SCANS	ADJUSTED TOTAL
Cone Health-Moses H. Cone Memorial Hospital	3	10,538	16,086
Cone Health-Wesley Long Hospital	1	4,497	6,136
High Point Regional Health	2	4,723	6,644
EmergOrtho-Triad Region	1	6,773	6,835
Greensboro Imaging (Diagnostic Rad. & Img. LLC)	1	4,813	5,332
Greensboro Imaging (Diagnostic Rad. & Img. LLC)	1	4,714	5,177
Greensboro Imaging (Diagnostic Rad. & Img. LLC)	1	5,021	5,391
Southeastern Orthopaedic Specialist	1	0	0
Triad Imaging (Novant Health Imaging Triad)	1	3,723	3,846
Westchester Imaging (AHWFB Network)	1	4,715	5,004
<b>Total</b>	<b>13</b>	<b>49,517</b>	<b>60,451</b>

In Section G, page 89, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved services proposed in Guilford County. The applicant states:

*“The proposed project will not result in the unnecessary duplication of existing or approved resources in Guilford County. HPMC is not adding any acute care beds or operating rooms to the current Guilford County inventory, but as previously stated, will relocate 36 existing licensed acute care beds and two existing licensed ORs within Guilford County. All the services proposed for GMC, which include not only acute care inpatient services, but also emergency services, surgical services, imaging services, plus ancillary and support services, are part of HPMC’s application to develop a Greensboro hospital campus, and are essential to the development and operation of its proposed campus facility as a full-service hospital. Other existing outpatient services in the market, such as imaging or surgical services, do not offer services to emergency patients or inpatients as proposed at GMC.”*

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

- The proposal would not result in an increase in the number of acute care beds or operating rooms in the service area.
- The applicant adequately demonstrates that the services proposed in the application are needed in addition to the existing or approved services.
- The applicant is proposing to relocate services within the same service area to an existing facility under the same license.
- With regard to the proposed fixed MRI scanner, the applicant demonstrated conformity with Policy TE-3 on page 28 of the 2023 SMFP.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency
- Comments
- Response to comments
- Remarks made at the public hearing

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

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

C

The applicant proposes to develop a new hospital campus of HPMC to be known as GMC by relocating no more than 36 existing licensed acute care beds and two existing licensed ORs from HPMC. The applicant also proposes to acquire two CT scanners, interventional radiology equipment and one fixed MRI scanner pursuant to Policy TE-3.

In Section Q, Form H, pages 189-190, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services at GMC, as illustrated in the following table:

**GMC Projected FTE Staff, 2<sup>nd</sup> Full Fiscal Year**

Position	July 1, 2027- June 30, 2028
Nurse Practitioners	1.0
Registered Nurses	31.1
Certified Nurse Aides/Nursing Assistants	8.1
Director of Nursing	1.0
Assistant Director of Nursing	2.0
Staff Development Coordinator	2.0
Anesthesiologists	1.0
Certified Registered Nurse Anesthetists	1.0
Surgical Technicians	3.0
Laboratory Technicians	4.0
Radiology Technologists	8.0
Pharmacists	3.0
Pharmacy Technicians	3.0
Physical Therapists	2.0
Respiratory Therapists	5.0
Dieticians	1.0
Cooks	5.0
Dietary Aides	15.0
Social Workers	2.0
Medical Records	2.0
Laundry & Linen	2.0
Housekeeping	15.0
Central Sterile Supply	3.0
Bio-medical Engineering	2.0
Materials Management	3.0
Information Technology	3.0
Maintenance/Engineering	10.0
Administrator/CEO	1.0
Business Office	5.0
Clerical	7.0
Other (Hospitalist)	0.5
Other (ER Physician)	1.0
<b>TOTAL</b>	<b>152.73</b>



The assumptions and methodology used to project staffing are provided in Section Q, page 189. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in F.3b. In Section H, pages 90-93, the applicant describes the methods it will use to recruit or fill new positions and its existing training and continuing education programs in place at HPMC that will also be in place at GMC.

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

- HPMC recruits staff through social networking sites, career fairs, virtual and in person hiring events, and provision of its facilities as host sites for professional clinical training sites.
- The applicant recruits hard-to fill nursing positions through transfers within the HPMC and AHWFB facilities as well as two nursing schools within the AH system.
- The applicant developed several recruiting strategies in response to the workforce shortage and has consulted with the North Carolina Department of Commerce for labor and unemployment information.
- All potential staff are required to meet performance standards and competency levels and maintain appropriate certification.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Comments
- Response to comments
- Remarks made at the public hearing

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

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

C

The applicant proposes to develop a new hospital campus of HPMC to be known as GMC by relocating no more than 36 existing licensed acute care beds and two existing licensed ORs

from HPMC. The applicant also proposes to acquire two CT scanners, interventional radiology equipment and one fixed MRI scanner pursuant to Policy TE-3.

### **Ancillary and Support Services**

In Section I, page 94, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 94-95, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibits I.1.1 and I.1.2. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- The applicant provides a letter dated January 17, 2023 from the president of Atrium Health Wake Forest Baptist High Point Medical Center documenting the availability of ancillary and support services for the proposed hospital campus.

### **Coordination**

In Section I, pages 95-99, the applicant describes its existing (at HPMC) and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibits I.2.1 and I.2.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on Atrium Health Wake Forest Baptist's and HPMC's established relationships with healthcare providers in the service area, all of which will be extended to GMC.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Public comments
- Response to comments
- Remarks made at the public hearing

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

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

NA

The applicant does not project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the

services will be offered. Furthermore, the applicant does not project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina County in which the services will be offered. Therefore, Criterion (9) is not applicable to this review.

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:
- (i) would be available under a contract of at least 5 years duration;
  - (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
  - (iii) would cost no more than if the services were provided by the HMO; and
  - (iv) would be available in a manner which is administratively feasible to the HMO.

NA

The applicant is not an HMO. Therefore, Criterion (10) is not applicable to this review.

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

C

The applicant proposes to develop a new hospital campus of HPMC to be known as GMC by relocating no more than 36 existing licensed acute care beds and two existing licensed ORs from HPMC. The applicant also proposes to acquire two CT scanners, interventional radiology equipment and one fixed MRI scanner pursuant to Policy TE-3.

In Section K, page 102, the applicant states that the project involves constructing 158,736 square feet of new space. Line drawings are provided in Exhibit K.1.

On pages 104-108, the applicant identifies the proposed site and provides information about the current owner, zoning and special use permits for the site, and the availability of water, sewer and waste disposal and power at the site. Supporting documentation is provided in Exhibit K.4. The applicant states in Section K, page 106 that the zoning process in the city of Greensboro requires a special use permit for a hospital, because the proposed site is properly

zoned for “*medical, dental and related uses*”, but not for a hospital. The applicant states it was scheduled to present its application for a special use permit at the City of Greensboro Planning and Zoning Commission meeting on April 17, 2023, which would have been subsequent to the date for application submission in this review.

On pages 102-103, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the applicant’s proposal to incorporate the latest energy efficiency and cost-saving methods to develop the proposed hospital campus.

On page 103, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- The applicant states the proposed project will increase access to care for residents of the proposed service area because the proposed location is near major transportation routes. In doing so, the applicant states patients will not have to incur the costs of transportation to HPMC main campus.
- The applicant states that by operating under the HPMC license, economies of scale will provide cost-savings to its patients.
- The applicant states that HPMC is fiscally conservative, which allows it to fund projects like this proposal without necessitating cost or charge increases to its patients.

In Section K, page 104 and in Section B, pages 27-28, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Comments
- Response to comments
- Remarks made at the public hearing

Based on that review, the Agency concludes that the application is conforming to this criterion, subject to Condition number 2 in Criterion 4.

- (13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and persons with disabilities, which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs

identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:

- (a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

C

In Section L, page 110, the applicant states GMC is not an existing facility and thus has no historical patient origin to report. However, on pages 110-111, the applicant provides the historical payor mix during FY 2022 (July 1, 2021-June 30, 2022) for High Point Medical Center for acute care services, ambulatory surgery services, emergency services, and outpatient imaging services, as illustrated in the following tables:

<b>HIGH POINT MEDICAL CENTER            HISTORICAL PAYOR MIX – ACUTE CARE SERVICES            LAST FULL FY, FY 2022</b>	
<b>PAYOR SOURCE</b>	<b>PERCENT OF TOTAL</b>
Self-Pay	7.0%
Charity Care**	--
Medicare*	52.2%
Medicaid*	18.6%
Insurance*	19.0%
Workers Compensation	0.1%
TRICARE	0.3%
Other (Other government)	2.9%
<b>Total</b>	<b>100.0%</b>

\*Including any managed care plans.

\*\*The applicant states charity care is included in self-pay.

<b>HIGH POINT MEDICAL CENTER            HISTORICAL PAYOR MIX – AMBULATORY SURGERY            LAST FULL FY, FY 2022</b>	
<b>PAYOR SOURCE</b>	<b>PERCENT OF TOTAL</b>
Self-Pay	2.6%
Charity Care**	--
Medicare*	45.1%
Medicaid*	8.2%
Insurance*	40.4%
Workers Compensation	1.0%
TRICARE	0.6%
Other (Other government)	2.2%
<b>Total</b>	<b>100.0%</b>

\*Including any managed care plans.

\*\*The applicant states charity care is included in self-pay.

<b>HIGH POINT MEDICAL CENTER            HISTORICAL PAYOR MIX – EMERGENCY DEPARTMENT            LAST FULL FY, FY 2022</b>	
<b>PAYOR SOURCE</b>	<b>PERCENT OF TOTAL</b>
Self-Pay	15.4%
Charity Care**	--
Medicare*	34.4%
Medicaid*	22.1%
Insurance*	21.4%
Workers Compensation	0.7%
TRICARE	0.4%
Other (Other government)	5.7%
<b>Total</b>	<b>100.0%</b>

\*Including any managed care plans.

\*\*The applicant states charity care is included in self-pay.

<b>HIGH POINT MEDICAL CENTER            HISTORICAL PAYOR MIX – AMBULATORY RADIOLOGY            LAST FULL FY, FY 2022</b>	
<b>PAYOR SOURCE</b>	<b>PERCENT OF TOTAL</b>
Self-Pay	12.4%
Charity Care**	--
Medicare*	39.2%
Medicaid*	17.1%
Insurance*	24.7%
Workers Compensation	1.1%
TRICARE	0.3%
Other (Other government)	5.2%
<b>Total</b>	<b>100.0%</b>

\*Including any managed care plans.

\*\*The applicant states charity care is included in self-pay.

In Section L, page 112, the applicant provides the following comparison for High Point Medical Center:

HIGH POINT MEDICAL CENTER	PERCENTAGE OF TOTAL PATIENTS SERVED BY THE FACILITY OR CAMPUS DURING THE LAST FULL FY	PERCENTAGE OF THE POPULATION OF THE SERVICE AREA
Female	54.1%	52.5%
Male	45.8%	47.5%
Unknown	0.1%	0.0%
64 and Younger	45.9%	84.1%
65 and Older	54.1%	15.9%
American Indian	0.7%	0.8%
Asian	3.1%	5.5%
Black or African American	25.8%	36.2%
Native Hawaiian or Pacific Islander	0.1%	0.1%
White or Caucasian	63.8%	48.5%
Other Race	5.5%	8.9%
Declined / Unavailable	0.9%	0.0%

\*The percentages can be found online using the United States Census Bureau's QuickFacts at: <https://www.census.gov/quickfacts/fact/table/US/PST045218>.

The Agency reviewed the:

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

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

- (b) Its past performance in meeting its obligation, if any, under any applicable regulations requiring provision of uncompensated care, community service, or access by minorities and persons with disabilities to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

C

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 113, the applicant states GMC is not an existing facility. The applicant states HPMC, under which GMC will be licensed, is not under any obligation to provide such care; however, the applicant restates HPMC's non-discrimination policy and states the same will be in place at GMC.

In Section L, page 113, the applicant states that during the 18 months immediately preceding the application deadline, it is not aware of any patient civil rights access complaints that have been filed against HPMC.

The Agency reviewed the:

- Application
- Exhibits to the application

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

- (c) That the elderly and the medically underserved groups identified in this subdivision will be served by the applicant's proposed services and the extent to which each of these groups is expected to utilize the proposed services; and

C

In Section L, pages 114-115, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following project completion, as shown in the following tables:

GREENSBORO MEDICAL CENTER PROJECTED PAYOR MIX- GREENSBORO MEDICAL CENTER FY 2027 (7/1/26-6/30/27)	
PAYOR SOURCE	PERCENT OF TOTAL
Self-Pay	7.0%
Charity Care**	--
Medicare*	52.2%
Medicaid*	18.6%
Insurance*	19.0%
Workers Compensation	0.1%
TRICARE	0.3%
Other (Other government)	2.9%
<b>Total</b>	<b>100.0%</b>



<b>GREENSBORO MEDICAL CENTER            PROJECTED PAYOR MIX – INPATIENT SERVICES            FY 2027 (7/1/26-6/30/27)</b>	
<b>PAYOR SOURCE</b>	<b>PERCENT OF TOTAL</b>
Self-Pay	7.0%
Charity Care**	--
Medicare*	52.2%
Medicaid*	18.6%
Insurance*	19.0%
Workers Compensation	0.1%
TRICARE	0.3%
Other (Other government)	2.9%
<b>Total</b>	<b>100.0%</b>

\*Including any managed care plans.

\*\*The applicant states charity care is included in self-pay.

<b>GREENSBORO MEDICAL CENTER            PROJECTED PAYOR MIX – AMBULATORY SURGERY            FY 2027 (7/1/26-6/30/27)</b>	
<b>PAYOR SOURCE</b>	<b>PERCENT OF TOTAL</b>
Self-Pay	2.6%
Charity Care**	--
Medicare*	45.1%
Medicaid*	8.2%
Insurance*	40.4%
Workers Compensation	1.0%
TRICARE	0.6%
Other (Other government)	2.2%
<b>Total</b>	<b>100.0%</b>

\*Including any managed care plans.

\*\*The applicant states charity care is included in self-pay.

<b>GREENSBORO MEDICAL CENTER PROJECTED PAYOR MIX – EMERGENCY DEPARTMENT FY 2027 (7/1/26-6/30/27)</b>	
PAYOR SOURCE	PERCENT OF TOTAL
Self-Pay	15.4%
Charity Care**	--
Medicare*	34.4%
Medicaid*	22.1%
Insurance*	21.4%
Workers Compensation	0.7%
TRICARE	0.4%
Other (Other government)	5.7%
<b>Total</b>	<b>100.0%</b>

\*Including any managed care plans.

\*\*The applicant states charity care is included in self-pay.

<b>GREENSBORO MEDICAL CENTER PROJECTED PAYOR MIX – AMBULATOR RADIOLOGY FY 2027 (7/1/26-6/30/27)</b>	
PAYOR SOURCE	PERCENT OF TOTAL
Self-Pay	12.4%
Charity Care**	--
Medicare*	39.2%
Medicaid*	17.1%
Insurance*	24.7%
Workers Compensation	1.1%
TRICARE	0.3%
Other (Other government)	5.2%
<b>Total</b>	<b>100.0%</b>

\*Including any managed care plans.

\*\*The applicant states charity care is included in self-pay.

As shown in the first table above, during the third full fiscal year of operation, the applicant projects that 7.0% of total inpatient services will be provided to self-pay patients, 52.2% to Medicare patients and 18.6% to Medicaid patients. The other tables illustrate projected payor mixes for other services as noted.

On page 116, the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The applicant projects payor mixes for the proposed hospital campus based on HPMC’s historical payor mix in the service area.

- The applicant states the scope of services to be offered by the proposed hospital campus are comparable to the scope of services currently offered at HPMC, from which the acute care beds and ORs are proposed to be relocated.
- The applicant anticipates that there may be payor mix shifts in future years, but states there are no known factors currently that would suggest a proposed change in payor mix for the GMC campus.

The Agency reviewed the:

- Application
- Exhibits to the application
- Comments
- Response to comments
- Remarks made at the public hearing

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

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

C

In Section L, page 117, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

The applicant proposes to develop a new hospital campus of HPMC to be known as GMC by relocating no more than 36 existing licensed acute care beds and two existing licensed ORs from HPMC. The applicant also proposes to acquire two CT scanners, interventional radiology equipment and one fixed MRI scanner pursuant to Policy TE-3.

In Section M, page 118, the applicant describes the extent to which health professional training programs in the area will have access to the facility for training purposes and provides supporting documentation in Exhibit M-1. The applicant adequately demonstrates that health professional training programs in the area have access to the facility for training purposes based on the following:

- AHWFB is an established health system in the community and as such, has established relationships with various education institutions and their medical training programs. The applicant states these same relationships will be extended to the proposed GMC campus.
- AHWFB is also involved in many research projects through the Wake Forest School of Medicine, which the applicant states receives over \$200 million annually in research funding grants. GMC will be a part of the research and clinical opportunities afforded by these grants.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

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

### C

The applicant proposes to develop a new hospital campus of HPMC to be known as GMC by relocating no more than 36 existing licensed acute care beds and two existing licensed ORs from HPMC. The applicant also proposes to acquire two CT scanners, interventional radiology equipment and one fixed MRI scanner pursuant to Policy TE-3.

The 2023 SMFP defines the service area for acute care bed and operating room services as a single or multi-county grouping as shown in Figure 5.1. The 2023 SMFP defines the service area for a fixed MRI scanner as “the same as an Acute Care Bed Service area as defined in Chapter 5 and shown in Figure 5.1.” Thus, the service area for this facility consists of Guilford County with regard to acute care beds and fixed MRI scanners. The service area for this facility with regard to ORs is the multi-county service area comprising Guilford and Caswell Counties. Facilities may also serve residents of counties not included in their service area.

Table 5A on page 39 of the 2023 SMFP shows two facilities in Guilford County have acute care beds as shown in the following table:

**Guilford County Acute Care Beds**

FACILITY	NUMBER OF ACUTE CARE BEDS
Cone Health	709
High Point Health System	301
<b>Total</b>	<b>1,010</b>

The following table identifies the existing and approved ORs located in the multicounty service area of Guilford and Caswell counties, from Table 6A, page 58 of the 2023 SMFP:

FACILITY	IP ORS	OP ORS	SHARED ORS	EXCLUDED C-SECTION, TRAUMA, BURN ORS	CON ADJUSTMENTS	TOTAL SURGICAL HOURS
High Point Surgery Center	0	6	0	0	0	3,761.0
Premier Surgery Center	0	2	0	0	0	1,174.0
High Point Regional Health	3	0	8	-1	0	11,233.8
<b>Atrium Health Total</b>	<b>3</b>	<b>8</b>	<b>8</b>	<b>-1</b>	<b>0</b>	
North Elam ASC	0	0	0	0	5	0.0
Cone Health	4	13	29	0	-5	64,512.7
<b>Moses H. Cone Total</b>	<b>4</b>	<b>13</b>	<b>29</b>	<b>0</b>	<b>0</b>	
Greensboro Specialty SC	0	3	0	0	0	1,070.3
Surgical Center of Greensboro	0	13	0	0	0	12,441.2
<b>Surgical Care Affiliates Total</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Valleygate Dental SC*	0	2	0	0	0	1,661.6
Surgical Eye Center	0	4	0	0	0	1,116.1
Piedmont Surgical Center	0	2	0	0	0	0.0
Kindred Hospital - Greensboro	0	0	1	0	0	172.7
<b>Guilford/Caswell Total ORs</b>	<b>7</b>	<b>45</b>	<b>38</b>	<b>-1</b>	<b>0</b>	

\*Valleygate Dental Surgery Center of the Triad is a single-specialty ambulatory surgical facility. The ORs are counted in the inventory but do not factor into need determinations.

The following table identifies the existing and approved fixed MRI scanners located in Guilford County, from Table 17E-1, page 342 of the 2023 SMFP:

<b>FIXED MRI SCANNERS IN GUILFORD COUNTY</b>			
<b>PROVIDER</b>	<b># OF FIXED MRI SCANNERS</b>	<b>TOTAL MRI SCANS</b>	<b>ADJUSTED TOTAL</b>
Cone Health-Moses H. Cone Memorial Hospital	3	10,538	16,086
Cone Health-Wesley Long Hospital	1	4,497	6,136
High Point Regional Health	2	4,723	6,644
EmergOrtho-Triad Region	1	6,773	6,835
Greensboro Imaging (Diagnostic Rad. & Img. LLC)	1	4,813	5,332
Greensboro Imaging (Diagnostic Rad. & Img. LLC)	1	4,714	5,177
Greensboro Imaging (Diagnostic Rad. & Img. LLC)	1	5,021	5,391
Southeastern Orthopaedic Specialist	1	0	0
Triad Imaging (Novant Health Imaging Triad)	1	3,723	3,846
Westchester Imaging (AHWFB Network)	1	4,715	5,004
<b>Total</b>	<b>13</b>	<b>49,517</b>	<b>60,451</b>

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 120, the applicant states:

*“This CON application presents a reasonable and conservative approach to growth and distribution of needed acute care and surgical capacity in Guilford County. GMC will promote competition in the service area because it will enable AHWFB to better meet the needs of its existing patient population, and to ensure timely provision of and convenient access to high quality, cost-effective hospital services for residents of Guilford County and surrounding communities. ...*

*Guilford County currently has competition in hospital services. However, the only hospitals located in Greensboro are operated by Cone Health. With this project to develop a hospital campus in Greensboro, HPMC, as an experienced hospital provider, expects to enhance competition in Greensboro by augmenting the hospital services it currently offers in High Point, and promoting improved patient access to AHWFB’s quality, cost-effective, and accessible hospital services.”*

Regarding the impact of the proposal on cost effectiveness, in Section N, page 121, the applicant states:

*“... the proposed project to relocate acute care capacity to GMC will decrease the need for patients to be transported to HPMC and will reduce the need for acuity-appropriate inpatients to leave the Greensboro service area for care that has been provided historically by HPMC, providing a cost effective and efficient point of care for these patients closer to home and/or more conveniently located. ...*

*... As an affiliate of AHWFB and operating under the HPMC hospital license, GMC will leverage a variety of resources to benchmark pricing in the market. ...*

*This acute care bed and OR relocation project will not increase the charges or projected reimbursement for these services, which are established by Medicare, Medicaid, and/or existing private payor contracts.”*

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

Regarding the impact of the proposal on quality, in Section N, pages 121-122, the applicant states:

*“HPMC is known for providing high quality services, and expects the proposed project for development of a Greensboro hospital campus to support the continuation of high-quality care provided to patients at AHWFB facilities. GMC will be dedicated to providing excellent care for patients, and to creating a safe work environment for practitioners and staff. GMC will strive to ensure quality care and patient safety through compliance with all applicable licensure and certification standards established for hospital facilities.*

...

*HPMC’s commitment to providing quality care is further demonstrated by its Performance Improvement, Utilization, and Risk Management Plans... . As HPMC geographically expands its acute care services, these plans will continue to ensure that quality care is provided to all patients, including the services involved in this project.”*

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

Regarding the impact of the proposal on access by medically underserved groups, in Section N, pages 122-123, the applicant states:

*“Like all AHWFB facilities, GMC will provide high quality, [sic] care to all patients, including underserved groups, regardless of ability to pay. The proposed project is designed to expand and improve access to all patients, including the medically underserved, particularly geographic and timely access to the services proposed in the application. ...*

...

*... Hospital services will be available to all persons, including low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved persons including the medically indigent, the uninsured and the underinsured. GMC will provide free aids and services to people with disabilities in order to communicate effectively with them.”*

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

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

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

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency
- Comments
- Response to comments
- Remarks made at the public hearing

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

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

C

In Section Q, Form O, pages 191-192, the applicant identifies the facilities that provide acute care and imaging services located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identifies a total of 71 of this type of facility located in North Carolina.

In Section O, page 128, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents resulting in an immediate jeopardy had not occurred in any of these facilities. According to the files in the Acute Care and Home licensure and Certification Section, DHRS, during the 18 months immediately preceding submission of the



application through the date of this decision, incidents related to quality of care had not occurred in any of these facilities. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all 71 facilities, the applicant provided sufficient evidence that quality care has been provided in the past.

(21) Repealed effective July 1, 1987.

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

NA

The applicant proposes to develop a new hospital campus of HPMC to be known as GMC by relocating no more than 36 existing licensed acute care beds and two existing licensed ORs from HPMC. The applicant also proposes to acquire two CT scanners, interventional radiology equipment and one fixed MRI scanner pursuant to Policy TE-3. There are no administrative rules that are applicable to proposals to relocate existing licensed acute care beds or ORs. Additionally, there are no administrative rules applicable to acquisition of CT scanners or other medical equipment as proposed in this application, including the acquisition of a fixed MRI scanner pursuant to Policy TE-3.