

CORRECTED

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: November 8, 2024

Findings Date: November 8, 2024

Project Analyst: Tanya M. Saporito

Co-Signer: Lisa Pittman

Project ID #: M-12528-24

Facility: Cape Fear Valley Medical Center

FID #: 943057

County: Cumberland

Applicants: Cumberland County Hospital System, Inc.

Project: Develop no more than one additional operating room pursuant to the 2024 SMFP need determination

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

Cumberland County Hospital System, Inc. (“the applicant”), proposes to develop one additional operating room (OR) at Cape Fear Valley Medical Center (“CFVMC”) pursuant to an adjusted need determination in the 2024 State Medical Facilities Plan (SMFP) for one OR for the purpose of training surgical residents in the Cumberland County service area. The applicant also proposes to develop one procedure room as part of this project.

Need Determination

In the 2024 SMFP, Table 6C: Operating Room Need Determination shows an adjusted need determination for one OR in Cumberland County operating room (OR) service area.

Background

In 2017, CFVMC successfully petitioned the North Carolina State Health Coordinating Council (SHCC) for an adjusted need determination in the 2018 SMFP for one additional OR in the Cumberland County service area to train surgical residents in inpatient and outpatient procedures, and the Agency awarded a certificate of need (CON) to CFVMC effective October 25, 2018. The project was completed as of September 1, 2019.

Current Application

In July 2023, in response to the growth of its surgical resident program and the hospital's planned partnership with Methodist University to develop a new medical school, CFHVS submitted a petition for one additional OR in Cumberland County to ensure sufficient OR capacity to continue to train surgical residents at CFVMC. That petition was approved by the SHCC. The applicant submitted this application in response to the approved petition and the adjusted need determination in the 2024 SMFP and proposes to develop one OR for the purpose of training its surgical residents. The application is consistent with the need determination in the 2024 SMFP.

Policies

There are two policies in the 2024 SMFP applicable to this review: *Policy GEN-3: Basic Principles* and *Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities*.

Policy GEN-3: Basic Principles, on page 29 of the 2024 SMFP, states:

“A certificate of need applicant applying to develop or offer a new institutional health service for which there is a need determination in the North Carolina State Medical Facilities Plan shall demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value for resources expended. A certificate of need applicant shall document its plans for providing access to services for patients with limited financial resources and demonstrate the availability of capacity to provide these services. A certificate of need applicant shall also document how its projected volumes incorporate these concepts in meeting the need identified in the State Medical Facilities Plan as well as addressing the needs of all residents in the proposed service area.”

In Section B, page 27 the applicant explains why it believes the application is conforming to Policy GEN-3.

Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on page 30 of the 2024 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 of 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.”

In Section B, page 27, the applicant explains why it believes the application is conforming to Policy GEN-3.

Policy GEN-4. The proposed capital expenditure for this project is over \$5 million. In Section B, page 28 and in Exhibit K.3, the applicant describes the project’s plan to improve energy efficiency and conserve water. The applicant adequately demonstrates that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

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 the following reasons:

- The applicant does not propose to develop more ORs than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-3 and Policy GEN-4 for the following reasons:

- The applicant adequately documents how the project will promote safety and quality, and equitable access in the delivery of care,
 - The applicant states that it will maximize healthcare value for resources expended in the delivery of service
 - The applicant states that it will incorporate the concepts of safety and quality and maximum value for resources expended in meeting the need identified in the 2024 SMFP.
 - The applicant adequately demonstrates that the application includes a written statement describing the project's plan to assure improved 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 no more than one additional operating room pursuant to an adjusted need determination in the 2024 SMFP for one OR for the purposes of training surgical residents.

Patient Origin

On page 47, the 2024 SMFP defines the service area for OR as “*single or multicounty grouping shown in Figure 6.1.*” Figure 6.1, on page 53, shows Cumberland County is a single county operating room service area. Thus, the service area for this facility consists of Cumberland County. Facilities may also serve residents of counties not included in their service area.

In Section C, pages 30-31, the applicant provides historical patient origin for both inpatient and outpatient surgical services, and for the hospital as a whole during federal fiscal year (FFY) 2023 (October 1-September 30), as shown in the following tables:

CFVMC Surgical Services Historical Patient Origin, FFY 2023

COUNTY	# PATIENTS	% OF TOTAL
Cumberland County	8,384	70.8%
Hoke County	675	5.7%
Robeson County	663	5.6%
Harnett County	651	5.5%
Bladen County	521	4.4%
Sampson County	438	3.7%
Other*	509	4.3%
Total	11,842	100.0%

*The applicant states "Other includes <1 percent patient origin from each of the remaining counties in NC and other states".

CFVMC Total Facility Historical Patient Origin, FFY 2023

COUNTY	# PATIENTS	% OF TOTAL
Cumberland County	241,907	76.1%
Harnett County	22,029	6.9%
Robeson County	17,062	5.4%
Hoke County	9,657	3.0%
Sampson County	9,093	2.9%
Bladen County	5,316	1.7%
Other*	12,619	4.0%
Total	317,683	100.0%

*The applicant states "Other includes <1 percent patient origin from each of the remaining counties in NC and other states".

The following table from Section C page 32 illustrates historical and projected patient origin:

CFVMC Surgical Services Projected Patient Origin, FFY 2028-30

COUNTY	1 ST FULL FY FFY 2028		2 ND FULL FY FFY 2029		3 RD FULL FY FFY 2030	
	# PTS.	% OF TOTAL	# PTS.	% OF TOTAL	# PTS.	% OF TOTAL
Cumberland County	9,394	70.8%	9,543	70.8%	9,694	70.8%
Harnett County	756	5.7%	768	5.7%	780	5.7%
Robeson County	743	5.6%	755	5.6%	767	5.6%
Hoke County	730	5.5%	741	5.5%	753	5.5%
Sampson County	584	4.4%	593	4.4%	602	4.4%
Bladen County	491	3.7%	499	3.7%	507	3.7%
Other*	571	4.3%	580	4.3%	589	4.3%
Total	13,268	100.0%	13,478	100.0%	13,692	100.0%

*The applicant states "Other includes less than one percent patient origin from each of the remaining counties in NC and other states".

In Section C, page 32, the applicant provides the assumptions and methodology used to project its patient origin. The applicant's assumptions are reasonable and adequately supported because they are based on the applicant's FFY 2023 experience providing surgical services.

Analysis of Need

In Section C, pages 34-46, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- CFVMC's status as a Teaching Hospital and growing residency program – The applicant states its status as a Teaching Hospital and its affiliation with area clinical programs and medical schools require the hospital to develop additional surgical capacity to train its residents. The applicant states surgical resident training increases the average case times for surgical procedures which, when combined with its surgical procedures performed outside of the residency program, increase surgical case times and demonstrate need for additional OR capacity (pages 34-41).
- Development of additional acute care bed capacity at CFVMC increases the need for additional surgical capacity – The applicant states CFVMC is a Level III Trauma Center and a regional referral center for CFVHS's community hospitals and other community hospitals. Currently, the hospital is licensed for a total a 544 general acute care beds and has been approved to develop 92 additional acute care beds (CON Project ID # M-8689-11, Project I.D. M-12178-22 and Project I.D. M-12332-23). The applicant states the additional acute care bed capacity and projected utilization will further increase the demand for inpatient surgical cases at CFVMC (page 42).
- CFVMC Surgical Utilization – The applicant states CFVMC operates two dedicated open heart ORs, three dedicated C-Section ORs, and 14 shared ORs. The applicant examined its historical case times for inpatient and outpatient surgical procedures from FFY 2019-2024 (annualized at the time the data was collected) and determined that total surgical hours at CFVMC increased by a compound annual growth rate (CAGR) of 4.2% during that time (pages 42-43).
- CFVMC as a Rural Referral Center (RRC) – The applicant states RRCs are the rural health care providers that provide rural populations with local access to a wide range of health care services, thus mitigating the need for extensive travel to urban areas for care. The proposed additional OR will be instrumental in training surgical residents in CFVHS's residency program as well as increasing access for medically underserved and ensuring adequate geographic access for the region (pages 43).
- Service area demographics – The applicant examined data from the North Carolina Office of State Budget and Management (OSBM) and determined that the population of Cumberland County is projected to increase from 2024-2030. The applicant states the service area population age 65 and older, which currently comprises approximately 15.3% of the total service area population, is projected to increase by a CAGR of 2.2% during the next five years. Thus, the demand for surgical services will continue to

increase at CFVMC. Additionally, the applicant states 18% of Cumberland County residents live below the poverty line, compared to 13.7% in the state as a whole. The applicant states the proposed project will enhance CFVMC’s ability to provide surgical services for medically underserved individuals in Cumberland County and surrounding communities (pages 44-46).

- Support for the project – The applicant provides letters of support from CFVMC surgeons, medical staff and leadership in Exhibit I.2. The applicant states this support ensures the proposed OR will be well-utilized by members of the medical staff, residents of the service area, and surrounding communities (page 46).

Projected Utilization

In Section Q, Form C.3b, page 104, the applicant projects utilization of the ORs at CFVMC, as illustrated in the following table:

CFVMC PROJECTED UTILIZATION			
	1ST FULL FY FFY 2028	2ND FULL FY FFY 2029	3RD FULL FY FFY 2030
Operating Rooms			
Open Heart ORs	2	2	2
Dedicated C-Section ORs*	3	3	3
Shared ORs	16	16	16
Total # ORs	21	21	21
Adjusted Planning Inventory	18	18	18
Surgical Cases			
# Inpatient Surgical Cases	6,170	6,232	6,294
# Outpatient Surgical Cases	7,099	7,247	7,398
Total # Surgical Cases	13,268	13,478	13,692
Case Times			
Inpatient	167.0	167.0	167.0
Outpatient	120.0	120.0	120.0
Surgical Hours			
Inpatient	17,173	17,345	17,518
Outpatient	14,197	14,493	14,796
Total Surgical Hours	31,370	31,838	32,314
# ORs Needed			
Group Assignment	3	3	3
Standard Hours Per OR Per Year	1,755	1,755	1,755
Total Surgical Hours/Standard Hours per OR per Year	17.9	18.1	18.4

Source: Section Q, page 104

*Excluded from OR inventory

In Section Q, pages 106-110, the applicant provides the assumptions and methodology used to project utilization, summarized as follows:

Step 1: Review Historical Surgical Utilization – The applicant examined historical surgical utilization at CFVMC from FFY 2019-2023 and notes that, despite a shift of surgical services to Cape Fear Valley Hoke Hospital and Harnett Health, overall surgical utilization at CFVMC

increased by a CAGR of 1.6% during that time. The applicant explains that inpatient surgical volume decreased during FFY 2023 because several of its surgeons were unavailable for a period of time; however, upon their return, surgical utilization increased in 2024. The applicant states additional surgeons are expected to join CFVMC in the second half of 2024. The applicant estimated surgical utilization during 2024 as follows:

- Gather actual surgical utilization from October 2023-March 2024.
- Add that to one-half of the FY 2023 actual surgical utilization.

The following table, from page 107, summarizes the data:

Historical Surgical Utilization, CFVMC

	FFY 2019	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024	2019-2024 CAGR
Inpatient Cases	5,779	5,860	5,868	5,622	5,374	5,953	0.6%
Outpatient Cases	5,328	4,845	5,601	5,919	6,468	6,536	4.2%
Total Cases	11,107	10,705	11,469	11,541	11,842	12,489	2.4%

Step 2: Project Surgical Utilization During Interim Years – The applicant projects outpatient surgical cases by applying one-half of the FFY 2019-2024 outpatient growth rate, or 2.1%. The applicant projects inpatient surgical cases by applying a growth rate of 1%, which the applicant states is reasonable, since the surgeons who were absent for much of 2023 are performing surgeries again, and the applicant has recruited additional surgeons. The following table, from Section Q page 108 summarizes these projections:

Projected Surgical Utilization, CFVMC

	FFY 2025	FFY 2026	FFY 2027	FFY 2028	FFY 2029	FFY 2030
Inpatient Cases	5,988	6,048	6,109	6,170	6,232	6,294
Outpatient Cases	6,672	6,812	6,954	7,099	7,247	7,398
Total Cases	12,661	12,860	13,062	13,268	13,478	13,692

Numbers may not sum due to rounding

Step 3: Project Surgical Utilization at Highsmith-Rainey Specialty Hospital – The applicant examined historical utilization of Highsmith-Rainey Specialty Hospital (HRSH) for the same time period, FFY 2019-2023. Similar to the increase in utilization in the first half of 2024 at CFVMC, the applicant states surgical utilization increased during the first half of 2024. The applicant states the increase is a result of the reinstatement of orthopedic, general surgery, and neurosurgery specialists, who have been reclaiming their surgical caseloads, the expansion of CFVHS specialty service lines and existing capacity constraints at CFVMC. To estimate surgical utilization during FY2024, HRSH utilized actual inpatient and outpatient surgical case volume from October 2023 – March 2024 and added them to one-half of FY2023 surgical utilization, respectively. Additionally, pursuant to Project ID #M-8689-11 and effective June 5, 2012, CFVHS received a CON to develop a satellite hospital (Cape Fear North), which included relocating two ORs from HRSR. Through two Material Compliance determinations in 2021 and 2023, the Agency granted CFVHS’s request to develop all 65 acute care beds approved for Cape

Fear North at CFVMC's main campus and to relocate one OR from HRSR, previously approved to relocate to Cape Fear North, to CFVMC's main campus. The latest Progress Report submitted to the Agency in January 2024 indicates that the project will be substantially complete by October 2024, which the applicant states is consistent with the timeline proposed in this application. The applicant provides a table on page 110 that illustrates projected surgical utilization at HRSR.

CFVMC Procedure Room Utilization – The applicant proposes, as part of this application, to develop one additional procedure room at CFVMC, for a total of four procedure rooms. To project utilization of the procedure rooms, the applicant applies the projected population growth rate of persons 65 and over in the service area, to its historical non-surgical cases performed in its existing procedure rooms. The applicant provides a table on page 110 that illustrates these projections.

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

- Utilization projections are based on the applicant's experience providing surgical services and supported by historical surgical utilization.
- The applicant has been approved to develop additional acute care beds at CFVMC which will increase demand for inpatient surgical services.
- Projected population growth and aging in the service area substantiates increased demand for surgical services.
- The applicant submitted a petition to the SHCC for one additional OR to train surgical residents, and this application is submitted in response to the resulting need determination in the 2024 SMFP.
- The applicant provides letters of support from surgeons and physicians in Exhibit I.2.

Access to Medically Underserved Groups

In Section C, page 51, the applicant states:

“All individuals including low-income persons, racial and ethnic minorities, women, persons with disabilities, persons 65 and older, Medicare beneficiaries, Medicaid recipients, and other underserved groups, will continue to have access to CFVMC's surgical services, as clinically appropriate. CFVMC does not and will not discriminate based on race, ethnicity, age, gender, or disability.”

In Section C, page 52, the applicant provides the estimated percentage for each medically underserved group, as shown in the following table:

MEDICALLY UNDERSERVED GROUPS	PERCENTAGE OF TOTAL PATIENTS
Low-income persons	28.1%
Racial and ethnic minorities	39.9%
Women	52.0%
Persons with Disabilities*	--
Persons 65 and older	33.2%
Medicare beneficiaries	33.2%
Medicaid recipients	22.1%

*On page 52, the applicant states CFVHS does not maintain data regarding the number of disabled persons it serves.

In Section C, page 51-52, 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.

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.

- (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.

NA

The applicant does not propose reducing or eliminating any service, nor does it propose relocation of a facility or service. Therefore, Criterion (3a) is not applicable to this review.

- (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 no more than one additional operating room pursuant to an adjusted need determination in the 2024 SMFP for one OR for the purposes of training surgical residents.

In Section E, pages 61-62, 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 Status Quo - The applicant states CFMVC's OR utilization is nearing its capacity limits and an additional OR is needed to adequately train its current and future residents, particularly since the applicant is partnering to develop a new medical school on the CFVMC campus. Therefore, maintaining the status quo is not an effective alternative to address surgical capacity constraints and surgical resident needs.

Relocate ORs from Highsmith-Rainey hospital - The applicant states one of Highsmith-Rainey's existing ORs is designated to relocate to CFVMC. That would leave two ORs at Highsmith-Rainey, and the applicant states the two ORs that will remain following the relocation are necessary to meet the long term needs of that hospital. Thus, relocating additional ORs from Highsmith-Rainey is not the most effective alternative.

Develop the Operating Room in Another Location – The applicant states Fayetteville, the location of the CFVMC main campus, is the County seat, the major population center in Cumberland County and is centrally located in the service area. Additionally, the applicant states the proposed location on the hospital campus allows for coordination of care with the full range of services offered at CFVMC. In addition, CFVMC already has plans to expand the first and second floors of the hospital. The proposed OR can be efficiently incorporated into the planned campus project. The applicant states for these reasons, developing the proposed additional OR in another location is not the most effective alternative.

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 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

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

1. **Cumberland County Hospital System, Inc. (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
 2. **Pursuant to the adjusted need determination in the 2024 SMFP, the certificate holder shall develop no more than one additional operating room at Cape Fear Valley Medical Center for the purpose of training surgical residents, and one procedure room.**
 3. **Upon completion of the project, Cape Fear Valley Medical Center shall be licensed for a total of no more than 21 operating rooms and four procedure rooms.**
 4. **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 April 1, 2025.**
 5. **The applicant 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.**
 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 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.

The applicant proposes to develop no more than one additional operating room pursuant to an adjusted need determination in the 2024 SMFP for one OR for the purposes of training surgical residents.

Capital and Working Capital Costs

In Section Q, page 111, the applicant projects the total capital cost of the project, as shown in the following table:

PROJECTED CAPITAL COSTS	
Renovation Costs	\$23,150,000
Medical Equipment	\$7,500,000
Non-Medical Equipment	\$1,500,000
Miscellaneous Costs	\$3,575,000
Total Capital Cost	\$35,725,000

In Section F, page 65, the applicant states there will be no start-up costs or initial operating expenses because CFVMC is an existing hospital with existing surgical services.

In Section Q, pages 118-119, 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 applicant states that the projected capital cost includes construction costs for the renovation of space for the OR, the procedure room, support space and storage.
- Architect and engineering fees are based on the construction cost estimate, inclusive of professional fees and interior design fees.
- Medical and non-medical equipment costs are based on the applicant’s experience with similar projects.

Availability of Funds

In Section F, page 63 the applicant states that the capital cost will be funded as shown in the following table:

Sources of Capital Cost Financing

TYPE	CUMBERLAND COUNTY HOSPITAL SYSTEM, INC.	TOTAL
Loans	\$	\$
Accumulated reserves or OE *	\$35,725,000	\$35,725,000
Bonds	\$	\$
Other (Specify)	\$	\$
Total Financing	\$35,725,000	\$35,725,000

* OE = Owner's Equity

In Exhibit F.2 the applicant provides a June 10, 2024 letter signed by the Chief Financial Officer for Cape Fear Valley Health System that confirms the availability of sufficient funds for the project capital needs and commits the funds to the project development. The applicant also provides a copy of the audited financial records of Cumberland County Hospital System, Inc. which confirms the availability of sufficient funds for the project. The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following project completions. In Forms F.2 and F.3, the applicant projects that revenues will exceed operating expenses in the first three full fiscal years following completion of the project, as shown in the table below.

CFVMC Surgical Services

CAPE FEAR VALLEY MEDICAL CENTER OPERATING ROOMS	1 ST FULL FY FFY 2028	2 ND FULL FY FFY 2029	3 RD FULL FY FFY 2030
Total Cases (From Form C.3b)	13,268	13,478	13,692
Total Gross Revenues (Charges)	\$345,894,655	\$358,390,217	\$371,347,740
Total Net Revenue	\$80,939,349	\$83,863,311	\$86,895,371
Average Net Revenue per Case	\$6,100	\$6,222	\$6,346
Total Operating Expenses (Costs)	\$79,881,150	\$82,630,740	\$85,493,724
Average Operating Expense per Case	\$6,021	\$6,131	\$6,244
Net Income	\$1,058,199	\$1,232,571	\$1,401,647

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant states gross patient revenue is based on CFVMC's FY2023 average gross charge per surgical case, inflated by 2% annually.
- Contractual adjustments, charity care and bad debt are based on the applicant's FY 2023 experience for surgical services.

- Projected utilization is based on reasonable and adequately supported assumptions. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

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 the following reasons:

- The applicant adequately demonstrates that the capital and working 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 working 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 no more than one additional operating room pursuant to an adjusted need determination in the 2024 SMFP for one OR for the purposes of training surgical residents.

On page 47, the 2024 SMFP defines the service area for OR as “*single or multicounty grouping shown in Figure 6.1.*” Figure 6.1, on page 53, shows Cumberland County is a single county operating room service area. Thus, the service area for this facility consists of Cumberland County. Facilities may also serve residents of counties not included in their service area.

The following from page 56 of the 2024 SMFP summarizes the existing operating rooms, excluding C-section ORs, in Cumberland County:

Cumberland County Operating Room Inventory

FACILITY	# IP SURGICAL CASES	# OUTPATIENT SURGICAL CASES	# ORS
Cape Fear Valley Medical Center	5,622	5,919	19
Highsmith-Rainey Specialty Hospital	17	1,999	3
Fayetteville Ambulatory Surgery Center*	--	8,523	11
Valleygate Dental Surgery Center**	--	1,825	2
Valleygate Dental Surgery Center Coast**	--	0	0
Total	5,639	18,266	35

Source: Table 6A, page 56, 2024 SMFP

*This facility performs only outpatient surgery procedures

**These facilities perform only outpatient dental surgery procedures

In Section G, pages 71-72, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved surgical services in Cumberland County. The applicant states:

“... surgical case times at teaching institutions are greater than surgical case times at non-teaching institutions. As a result of the addition and growth of CFVHS’s surgical residency programs, CFVMC needs additional surgical capacity to train residents.

The robust growth of surgical services and high level of utilization at CFVMC further supports the need to develop additional OR capacity. The proposed additional OR is needed to expand access to CFVMC’s well-utilized surgical services. ...

In November 2022, Fayetteville Ambulatory Surgery Center (FASC) received CON approval to replace and relocate the ASC to a new location within Cumberland County, Project I.D. M-12222-22. The approved application demonstrates that during the third project year, the replacement ASC will demonstrate the need for 10.6 ORs. Additionally, ... the need for an additional operating room is justified to meet the expanded need for operating room capacity resulting from CFVHS’s collaboration with the Jerry M. Wallace School of Osteopathic Medicine at Campbell University and the new medical school which will be developed in affiliation with Methodist University. An additional operating room at CFVMC will provide educational opportunities for both inpatient and outpatient surgery and will not negatively impact utilization at FASC.

Valleygate Dental Surgery Center operates a single-specialty freestanding ASC in Cumberland County and provides oral surgery services. Valleygate Dental Surgery Center Coast is approved to develop a new freestanding ASC in Cumberland County via relocation of one OR from Valleygate Dental Surgery Center. These facilities are not teaching hospitals and do not provide inpatient services.”

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

- The applicant successfully submitted a petition to the SHCC for an adjusted need determination in the 2024 SMFP for one OR in the Cumberland County service area to train surgical residents, and the applicant proposes to develop one OR for the purpose of training surgical residents.
- The applicant adequately demonstrates the proposed OR is needed in addition to the existing ORs in Cumberland County.

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.

- (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 no more than one additional operating room pursuant to an adjusted need determination in the 2024 SMFP for one OR for the purposes of training surgical residents.

In Section Q, page 116, the applicant provides full-time equivalent (FTE) staffing for the proposed services for each of the first three full years of operation, CYs 2025-2027, as illustrated in the following table:

POSITION	CURRENT STAFF AS OF 1/1/2024	PROJECTED STAFF		
		1 ST FULL FY FY 2027	2 ND FULL FY FY 2028	3 RD FULL FY FY 2029
Surgical Technicians	47.0	48.0	48.0	48.0
Registered Nurses	64.0	66.5	66.5	66.5
Certified Nurses Aides/Assistants	11.6	11.6	11.6	11.6
Resource Nurse	3.0	3.0	3.0	3.0
Sterile Core Coordinator	1.0	1.0	1.0	1.0
Certified Registered Nurse Anesthetists	32.8	33.8	33.8	33.8
Unit Secretary	4.7	4.7	4.7	4.7
Operating Room Team Coordinator	3.0	3.0	3.0	3.0
Patient Care Manager	2.0	2.0	2.0	2.0
Perfusionist	1.2	1.2	1.2	1.2
Clinical Educator	1.0	1.0	1.0	1.0
Total	171.3	175.8	175.8	175.8

The assumptions and methodology used to project staffing are provided in Sections H and Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3(b). In Section H, pages 73-74, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

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

- The applicant is an established healthcare employer and has strong relationships with area nursing schools, medical schools and community colleges.
- Those relationships will continue following project development.

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.

- (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 no more than one additional operating room pursuant to an adjusted need determination in the 2024 SMFP for one OR for the purposes of training surgical residents.

Ancillary and Support Services

In a table in Section I, page 75, the applicant identifies the necessary ancillary and support services for the proposed surgical services and explains how each ancillary and support service is currently and will continue to be available.

The applicant adequately demonstrates that the necessary ancillary and support services will be made available because the applicant has established relationships with local health care and social service providers throughout the service area, and these relationships will continue following the addition of one OR for the purposes of training surgical residents.

Coordination

In Section I, page 76, the applicant describes its existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The applicant provides letters of support from local physicians, healthcare professionals and community members confirming their support for the project.
- The applicant states members of the CFVHS management team serve on boards of local health care providers such as The Care Clinic, Fayetteville Ambulatory Surgery Center, Southern Regional Area Health Education Center, and Carolina Collaborative Community Care. In addition, CFVHS Medical Staff participate in outreach events at which physicians see patients at no charge for medical screening, ECGs and other health testing.

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.

- (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.

- (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 no more than one additional operating room pursuant to an adjusted need determination in the 2024 SMFP for one OR for the purposes of training surgical residents.

In Section K, page 79, the applicant states the proposed project requires constructing 26,485 square feet of new space and renovating 725 square feet of existing space. Line drawings are provided in Exhibit K.1.

On page 79, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- The applicant states the project architect based the construction cost on a detailed project review, published construction costing data and the architect's experience designing and constructing similar projects.
- The applicant provides a construction cost estimate signed by the project architect that confirms construction costs.

On page 80, 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 project will not increase the charges or projected reimbursement for the proposed services because those rates are established by Medicare, Medicaid or third-party payor contracts.
- The applicant states costs associated with this project are necessary and appropriate to enhance acute care access for area patients.

On page 80, 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

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

- (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, pages 83-84, the applicant provides historical payor mix for surgical services and the hospital as a whole during fiscal year 2023 (October 1, 2022-September 30, 2023) for the proposed services, as shown in the following tables:

Historical Payor Mix, CFVMC Hospital, FY 2023

Payor Category	Surgical Services as Percent of Total
Self-Pay	3.8%
Charity Care	0.4%
Medicare*	46.8%
Medicaid*	26.3%
Insurance*	12.8%
Workers Compensation	0.1%
TRICARE	4.1%
Other (Veterans Affairs)	5.7%
Total	100.0%

Source: Application page 83

*Includes managed care plans

Historical Payor Mix, CFVMC Surgical Services, FY 2023

Payor Category	Surgical Services as Percent of Total
Self-Pay	3.4%
Charity Care	2.6%
Medicare*	33.2%
Medicaid*	22.1%
Insurance*	28.6%
Workers Compensation	0.4%
TRICARE	5.2%
Other (Veterans Affairs)	4.5%
Total	100.0%

Source: Application page 84

*Includes managed care plans

In Section L, page 80, the applicant provides the following comparison.

CAPE FEAR VALLEY MEDICAL CENTER	PERCENTAGE OF TOTAL PATIENTS SERVED	PERCENTAGE OF THE POPULATION OF THE SERVICE AREA
Female	52.0%	50.3%
Male	48.0%	49.7%
Unknown	--	--
64 and Younger	57.3%	86.9%
65 and Older	42.7%	13.1%
American Indian	2.6%	2.0%
Asian	1.0%	2.8%
Black or African-American	45.8%	39.9%
Native Hawaiian or Pacific Islander	0.6%	0.4%
White or Caucasian	40.9%	49.7%
Other Race	7.1%	5.2%
Declined / Unavailable	2.0%	--

The Agency reviewed the:

- Application
- Exhibits to the application

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 85, the applicant states Cape Fear Valley Health System has no obligation under federal regulations to provide uncompensated care, community service or access by minorities and handicapped persons. The applicant also states:

“... CFVHS does not discriminate based on race, ethnicity, creed, color, sex, age, religion, national origin, handicap, or ability to pay. CFVHS will continue to have a policy to provide all services to all patients regardless of income, racial/ethnic origin, gender, physical or mental conditions, age, ability to pay or any other factor that would classify a patient as underserved. CFVMC's services will continue to be available to and accessible by any patient, including the medically underserved, having a clinical need for the offered services.”

In Section L, page 85, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against the facility or any similar facilities owned by the applicant or a related entity and located in North Carolina.

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, page 86, the applicant projects the following payor mix for the CFVMC surgical services during the third full fiscal year of operation following project completion, as shown in the following table:

CFVMC Projected Payor Mix FY 2029

PAYOR SOURCE	PERCENTAGE OF TOTAL
Self-Pay	3.4%
Charity Care	2.6%
Medicare*	33.2%
Medicaid*	22.1%
Insurance*	28.6%
Workers Compensation	0.4%
TRICARE	5.2%
Other (Veterans Affairs)	4.5%
Total	100.0%

*Including any managed care plans

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 3.4% of surgical services will be provided to self-pay patients, 2.6% to charity care patients, 33.2% to Medicare patients, and 22.1% to Medicaid patients.

On page 85 the applicant states projected payor mix is based on the FY 2023 CFVMC surgical services payor mix. The project payor mix is reasonable and adequately supported.

The Agency reviewed the:

- Application
- Exhibits to the application

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 87, the applicant adequately describes the range of means 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 no more than one additional operating room pursuant to an adjusted need determination in the 2024 SMFP for one OR for the purposes of training surgical residents.

In Section M, pages 88-90, the applicant describes the extent to which health professional training programs in the area currently have and will continue to have access to the facility for training purposes. The applicant adequately demonstrates that health professional training programs in the area have access to the facility for training purposes based on the following:

- The applicant provides a list of educational programs with which it currently provides opportunities for training area clinical health services students.
- The applicant states it also provides clinical rotations for students in various programs, including physician Assistant, pharmacist and nurse practitioner students, who pair with physicians and staff serving as preceptors.
- The applicant states in February 2023, CFVHS and Methodist University paired to develop a school of medicine to be located on the campus of Cape Fear Valley Medical Center, which will provide students with both educational and clinical experiences.
- The applicant provides documentation of existing and proposed educational and clinical partnerships in Exhibit M.1.

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 no more than one additional operating room pursuant to an adjusted need determination in the 2024 SMFP for one OR for the purposes of training surgical residents.

On page 47, the 2024 SMFP defines the service area for OR as “single or multicounty grouping shown in Figure 6.1.” Figure 6.1, on page 53, shows Cumberland County is a single county operating room service area. Thus, the service area for this facility consists of Cumberland County. Facilities may also serve residents of counties not included in their service area.

The following from page 56 of the 2024 SMFP summarizes the existing operating rooms, excluding C-section ORs, in Cumberland County:

Cumberland County Operating Room Inventory

FACILITY	# IP SURGICAL CASES	# OUTPATIENT SURGICAL CASES	# ORS
Cape Fear Valley Medical Center	5,622	5,919	19
Highsmith-Rainey Specialty Hospital	17	1,999	3
Fayetteville Ambulatory Surgery Center*	--	8,523	11
Valleygate Dental Surgery Center**	--	1,825	2
Valleygate Dental Surgery Center Coast**	--	0	0
Total	5,639	18,266	35

Source: Table 6A, page 56, 2024 SMFP

*This facility performs only outpatient surgery procedures

**These facilities perform only outpatient dental surgery procedures

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 93, the applicant states:

“The proposed project involves developing one additional OR in Cumberland County pursuant to the adjusted need determination in the 2024 SMFP for the purpose of training surgical residents in inpatient and outpatient procedures. CFVMC anticipates the project will have a positive effect on competition in Cumberland County.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 93, the applicant states:

“This project will not affect the cost to patients or payors for the services provided by CFVMC because reimbursement rates are set by the federal government and commercial insurers and is not projected to change based on the proposed project. The capital expenditure for this project is necessary to ensure that CFVMC will continue to provide high-quality services that are accessible to patients, physicians, and surgical residents.”

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

Regarding the impact of the proposal on quality, in Section N, pages 93-94, the applicant states:

“CFVMC has prioritized quality care for its service area since its establishment in 1956 and has continuously participated in the Medicare program since 1965. CFVMC adheres to external quality standards. ... The project will also be held to the same quality standards as existing CFVMC surgical services.

...

This project, along with CFVMC’s ongoing programs for safety and quality care, will promote safety and quality care for the patients served at CFVMC.”

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, page 94, the applicant states:

“CFVHS has existing strategies with specific activities designed to assure services will be accessible by indigent patients without regard to ability to pay. CFVMC will not discriminate in the provision of services on the basis of age, race, religion, disability, or the patient’s ability to pay. ...

CFVHS serves all patients regardless of their payment source or ability to pay. The additional OR will expand access to high quality healthcare for residents of the service area.”

See also Section 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.
- 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

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, page 117, the applicant identifies the hospitals located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of four hospitals located in North Carolina.

In Section O, page 98 the applicant states that it is not aware of any deficiencies in quality of care that occurred in any of its facilities during the 18 months immediately preceding the submittal of the application. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, no incidents related to quality of care had occurred in this facility. 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 the facility, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

(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.

C

The applicant proposes to develop no more than one additional operating room pursuant to an adjusted need determination in the 2024 SMFP for one OR for the purposes of training surgical residents.

The application is conforming to all applicable Criteria and Standards for Surgical Services and Operating Rooms. The specific criteria are discussed below.

SECTION .2100 – CRITERIA AND STANDARDS FOR SURGICAL SERVICES AND OPERATING ROOMS

10A NCAC 14C .2103 PERFORMANCE STANDARDS

- (a) *An applicant proposing to increase the number of operating rooms, excluding dedicated C-section operating rooms, in a service area shall demonstrate the need for the number of proposed operating rooms in addition to the existing and approved operating rooms in the applicant's health system in the applicant's third full fiscal year following completion of the proposed project based on the Operating Room Need Methodology set forth in the annual State Medical Facilities Plan. The applicant is not required to use the population growth factor.*
- C- The applicant proposes to develop no more than one additional operating room pursuant to the adjusted need determination in the 2024 SMFP. The service area is Cumberland County. In Sections C and Q, the applicant projects sufficient surgical cases and hours in the third full fiscal year of operation to demonstrate the need for one additional OR at CFVMC pursuant to the adjusted need determination in the 2024 SMFP. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.
- (b) *The applicant shall provide the assumptions and methodology used for the projected utilization required by this Rule.*
- C- In Section Q, “*Form C.3a and C.3b Utilization – Assumptions and Methodology*, pages 106-110, the applicant provides the assumptions and methodology used to project utilization of the existing and proposed ORs at CFVMC. The discussion regarding analysis of need, including projected utilization, found in Criterion (3) is incorporated herein by reference.