

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: June 27, 2025

Findings Date: June 27, 2025

Project Analyst: Cynthia Bradford

Co-Signer: Micheala Mitchell

Project ID #: J-12605-25

Facility: WakeMed Fuquay-Varina Healthplex

FID #: 250155

County: Wake

Applicant: WakeMed

Project: Develop a freestanding emergency department to be licensed as part of WakeMed Cary Hospital

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

WakeMed, hereinafter referred to as “the applicant,” proposes to develop a freestanding emergency department (ED), WakeMed Fuquay-Varina Healthplex in Wake County to be licensed under WakeMed Cary Hospital.

Need Determination

There is no need determination in the 2025 State Medical Facilities Plan (SMFP) that is applicable to the proposed project.

Policies

There is one policy in the 2025 SMFP which is applicable to this review: *Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities*.

Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on page 30 of the 2025 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, page 26, 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 experienced architects and engineers to ensure improved energy efficiency and water conservation in the facility design.

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
- Written comments

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

- 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 freestanding ED in Wake County, licensed under WakeMed Cary Hospital. In Section C.1, page 27, the applicant describes the project as follows:

“WakeMed proposes to develop an outpatient facility in Fuquay-Varina in southern Wake County that will be comprised of a stand-alone, freestanding emergency department (FSED), as well as diagnostic imaging services including a fixed computed tomography (CT) scanner, X-ray, and ultrasound, as well as a reference laboratory and pharmacy. The facility, to be named WakeMed Fuquay-Varina Healthplex, will be WakeMed’s fifth healthplex and ninth emergency department location in Wake County. WakeMed Fuquay-Varina will be modeled closely after WakeMed’s existing healthplex facilities in Apex, Brier Creek (northwest Raleigh), Garner, and Wendell.”

In Section A.5. page 23, the applicant describes the equipment included in the development of this project,

“WakeMed proposes to develop 1 fixed computed tomography (CT) scanner as a component of this project, as well as 2 units of X-ray equipment and 1 unit of Ultrasound equipment.”

Patient Origin

N.C. Gen. Stat. §131E-176(24a) states, “Service area means the area of the State, as defined in the State Medical Facilities Plan or rules adopted by the Department, which receives services from a health service facility.” The 2025 SMFP does not define the service area for emergency departments. The ZIP codes identified by the applicant as being fully or partially within the proposed service area are 27501, 27526, 27529, 27539, 27540, 27592, and 27603. (See Section C.3, pages 32-34.) These ZIP codes cover areas in Wake County. Facilities may also serve residents of counties not included in their service area.

The proposed freestanding ED is not an existing facility and therefore does not have historical patient origin. In Section C, page 35, the applicant provides the projected patient origin for the proposed ED as summarized below.

WakeMed Fuquay-Varina Healthplex Projected Patient Origin						
Zip Code	1st Full FY		2nd Full FY		3rd Full FY	
	10/01/2027 to 09/30/2028		10/01/2028 to 09/30/2029		10/01/2029 to 09/30/2030	
	Number of Patients	% of Total	Number of Patients	% of Total	Number of Patients	% of Total
27501-Angier	435	4.2%	885	4.2%	899	4.2%
27526-Fuquay-Varina	2,341	22.6%	4,759	22.6%	4,840	22.6%
27529-Garner	2,145	20.7%	4,358	20.7%	4,432	20.7%
27539-Apex	653	6.3%	1,377	6.3%	1,349	6.3%
27540-Holly Springs	363	3.5%	737	3.5%	749	3.5%
27592-Willow Spring	435	4.2%	885	4.2%	899	4.2%
27603-Raleigh	1,916	18.5%	3,896	18.5%	3,961	18.5%
Other Wake County	622	6.0%	1,264	6.0%	1,285	6.0%
Other NC Counties	1,295	12.5%	2,633	12.5%	2,676	12.5%
Out of State	155	1.5%	316	1.5%	321	1.5%
Total	10,360	100.0%	21,060	100.0%	21,411	100.0%

Source: Section C, pages 35.

In Section C, pages 33-35, the applicant provides the assumptions and methodology used to project patient origin for the proposed ED. The applicant's assumptions are reasonable and adequately supported based on the following:

- The applicant's projected patient origin is derived from the WakeMed System's emergency department patient origin for ZIP Codes identified.
- The applicant identifies the assumption and methodology it relied upon in projecting patient origin including in-migration from other areas.

Analysis of Need

In Section C.4, pages 36-42, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services. The applicant states the need for the proposed project is based on the following:

- The projected population growth and aging in the proposed service area and the need for increased access to emergency services.
- WakeMed System emergency department utilization has increased by 9.2 percent between 2022 to 2024. Total ED visit volume at the WakeMed healthplexes increased 27.5 percent between 2022-2024, or 12.9 percent per year, with the largest number of

patients seen at WakeMed Cary, which is the closest ED facility to the proposed project location.

- Diagnostic procedures derived from ED visits.

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

- The applicant provides demographic data, including population growth projections for different age groups, especially those 65+, for the proposed service area from Claritas Spotlight to support its projections.
- The applicant provides historical ED utilization data for hospital's total service area and for the primary service area for proposed project.

Projected Utilization

In Section Q, the applicant provides projected utilization of the freestanding ED and ancillary services through the first three full fiscal years (FYs) of operation, as summarized in the following table:

WAKEMED FUQUAY-VARINA HEALTHPLEX			
PROJECTED UTILIZATION			
TYPES OF SERVICE	1ST FULL FY 10/1/2027- 09/31/2028	2ND FULL FY 10/1/2028- 09/31/2029	3RD FULL FY 10/1/2029- 09/31/2030
CT Scanner			
# of Units	1	1	1
# of Scans	3,066	6,233	6,337
Fixed X-ray (including fluoro)			
# of Units	2	2	2
# of Procedures	3,958	8,046	8,180
Ultrasound			
# of Units	1	1	1
# of Procedures	1,083	2,201	2,238
Emergency Department			
# of Treatment Rooms	12	12	12
# of Visits	9,308	18,923	19,238
Laboratory			
Tests	5,616	11,416	11,605

In Section Q, pages 99-111, the applicant provides the assumptions and methodology used to project utilization, which is summarized below:

Step 1: Definition of WakeMed Fuquay-Varina Healthplex Service Area

The applicant defined the proposed WakeMed Fuquay-Varina Healthplex service area as a subset of ZIP Codes, including Fuquay-Varina and its contiguous ZIP Codes, located in southern Wake County and northern Harnett County.

Step 2: Determine Current and Projected Population of Proposed Service Area

The applicant obtained current-year (2024) and five-year (2029) population projections for the proposed service area ZIP Codes from Claritas, a leading national demographer. Using the 2024-2029 compound annual growth rate (CAGR), WakeMed interpolated populations for each ZIP Code for the years 2025- 2028 and extrapolated the 2030 populations to account for the interim years and Project Years 1-3, as shown in the table below.

Proposed Service Area Population by ZIP Code by Year							
ZIP Code	City	Last Full FY 2024	Year 1 2028	Year 2 2029	Year 3 2030	CAGR	Percent Change 2024-2030
27501	Angier	22,948	24,366	24,730	25,103	1.51%	9.4%
27526	Fuquay-Varina	63,064	68,719	70,195	71,715	2.17%	13.7%
27529	Garner	58,851	62,389	63,294	64,222	1.47%	9.1%
27539	Apex	28,695	30,205	30,589	30,984	1.29%	8.0%
27540	Holly Springs	49,533	53,826	54,959	56,115	2.10%	13.3%
27592	Willow Spring	19,024	20,359	20,711	21,066	1.71%	10.7%
27603	Raleigh	59,781	63,025	63,876	64,728	1.33%	8.3%
Total Service Area		301,896	317,502	322,889	333,933	1.69%	10.6%

Source: Section Q, Table 2, page 100 (table is condensed)

According to the applicant's calculations, the total population of the service area is projected to increase 10.6 percent from 2024-2030, or 1.69 percent per year, with highest rates of growth in 27526-Fuquay-Varina (13.7 percent total/2.17 percent CAGR). By 2030, the proposed service is projected to have nearly 334,000 residents.

Step 3: Obtain Emergency Department Volumes and Calculate Historic Use Rates for Service Area ZIP Codes

The applicant utilized FY 2024 emergency department visit volumes for residents of each service area ZIP Code by all providers from the Hospital Industry Data Institute (HIDI). HIDI is the State's clearinghouse for acute care hospital and ambulatory surgical facility utilization data. HIDI visit volumes for October 2023-June 2024 (9 months), were annualized to estimate full-year ED utilization. The applicant found that ED use rates in the proposed service area ranged from 216.73 per 1000 in 27539-Apex to 450.97 per 1000 in 27529-Garner. The applicant illustrates this in Section Q, Table 3, page 101 of the application.

Step 4: Historic WakeMed Emergency Department Visits from Service Area

Historical utilization data was obtained by ZIP Code for each WakeMed System emergency department from HIDI, including all hospitals and healthplexes, for the first 9 months of FY 2024 and then annualized. The applicant opted to use HIDI data for all ED visit volumes for consistency. Market shares for each service area ZIP Code were calculated by dividing WakeMed's FY 2024 visit volumes by total market ED visits. These calculations are shown in the table below.

WakeMed Emergency Department Market Shares in Fuquay-Varina Healthplex Service Area by Facility, FY 2024									
Zip Code	City	Hospitals			Healthplexes				Total WakeMed Market Share
		Raleigh	Cary	North	Apex	Brier Creek	Garner	Wendell	
27501	Angier	10.27%	7.73%	0.16%	1.82%	0.35%	5.33%	0.08%	25.74%
27526	Fuquay-Varina	7.43%	15.99%	0.27%	5.11%	0.28%	1.23%	0.08%	30.39%
27529	Garner	22.77%	3.12%	1.10%	0.37%	0.34%	40.62%	0.29%	68.61%
27539	Apex	7.98%	37.39%	0.26%	12.14%	0.31%	1.30%	0.11%	59.49%
27540	Holly Springs	5.09%	12.95%	0.17%	5.70%	0.32%	0.02%	0.02%	24.27%
27592	Willow Spring	14.21%	9.39%	0.31%	2.03%	0.26%	11.43%	0.05%	37.68%
27603	Raleigh	32.37%	10.01%	1.19%	1.14%	0.77%	23.43%	0.14%	69.05%

Source: Section Q, Table 5, page 102

In FY2024, WakeMed treated 52,558 emergency department visits originating in the service area at its seven facilities, or 144 visits per day. WakeMed's share of each ZIP Code's ED visits ranged from 24.3 percent in 27540-Holly Springs to 69.1 percent in 27603-Raleigh.

Step 5: Calculate Total Projected Emergency Department Visits in Service Area, 2025-2030

The applicant used the projected annual populations calculated in Step 2 and ED use rates per 1000 population in Step 3 to calculate the projected total ED visits in the service area ZIPs for FYs 2025-2030. The applicant conservatively assumed that the 2024 use rates per 1000 will remain *constant* for each ZIP through Project Year 3 (FY 2030).

Step 6: Calculate Projected Total WakeMed System ED Utilization from Service Area

The applicant projected its total ED visit volume by applying FY 2024 market shares for each ZIP code in the proposed service area to the total projected proposed service area ED visits. WakeMed conservatively assumes that its FY 2024 ED market shares for each ZIP Code within the proposed service area will remain constant through Project Year 3.

Step 7: Project WakeMed System Emergency Department Visits from Service Area to Shift to Fuquay-Varina Healthplex in Project Years 1-3

The applicant assumes that most of the ED volume at WakeMed Fuquay-Varina in Project Years 1-3 will be the result of visits from the proposed service area being shifted from existing WakeMed ED locations. The WakeMed projected ED volumes for the Fuquay-Varina Healthplex from the proposed service area by assuming a percentage of WakeMed system ED visits will shift, based on each ZIP Code's proximity to the new facility as well as the presence of an existing ED in the ZIP. These assumptions are consistent with WakeMed's experience with its existing healthplexes. The projected shift percentages are shown in the table below.

ZIP Code	City	Percent of Total WakeMed ED Visits from Service Area Shifted to Fuquay-Varina			Fuquay-Varina Healthplex ED Visits		
					Year 1	Year 2	Year 3
		FY2028	FY2029	FY2030	FY2028	FY2029	FY2030
27501	Angier	15%	30%	30%	388	787	799
27526	Fuquay-Varina	30%	60%	60%	2,104	4,298	4,391
27529	Garner	10%	20%	20%	1,930	3,917	3,974
27539	Apex	15%	30%	30%	584	1,183	1,198
27540	Holly Springs	10%	20%	20%	326	665	679
27592	Willow Spring	15%	30%	30%	390	793	806
27603	Raleigh	10%	20%	20%	1,724	3,495	3,542
Fuquay-Varina Healthplex ED Visits from Service Area					7,446	15,138	15,389

Source: Section Q, Table 8, page 104

The applicant states that growth in visit volumes at WakeMed Fuquay-Varina Healthplex will be due to shifts in volume from other WakeMed facilities, as well as by growth in service area population. Market shares of existing WakeMed EDs within the proposed service area will decrease as Fuquay-Varina ED visit volume grows. The WakeMed system's overall emergency department market share for the service area is projected to remain constant through FY 3. WakeMed Fuquay-Varina's ED market share in the proposed service area is projected to increase from 6.6 percent in FY 2028 to 13.2 percent in FY 2030. The WakeMed system's overall market share of the proposed service area will remain approximately constant through FY 2030. The applicant illustrates the growth in ED visit volumes and ED market shares at WakeMed Fuquay-Varina Healthplex for FY2028 through FY2030 in Section Q, Tables 9-14, pages 104-107 of the application.

Step 8: Project Emergency Department In-Migration for WakeMed Fuquay-Varina Healthplex
The applicant conservatively projects that 20 percent of total ED visits at WakeMed Fuquay-Varina Healthplex will originate from outside the proposed service area, with 6 percent originating from other areas of Wake County, 12.5 percent from other North Carolina counties, and 1.5 percent from Out of State. The applicant bases this information on its experience operating existing freestanding emergency departments.

Step 9: Historic WakeMed Healthplex Imaging Volumes

The applicant analyzed total imaging services volumes at all healthplexes for FYs 2022-2024, both for emergency department patients and non-ED Outpatients, which is provided in Section Q, Table 16, page 108. The applicant then calculated historic use rates per 1000 ED visits for Fixed CT scanner, X-ray and Ultrasound, as well as non-ED outpatient imaging procedures as a percent of total (Table 17, page 109).

Step 10: Project WakeMed Fuquay-Varina Diagnostic Imaging Procedures, Project Years 1-3

The applicant projected volumes for diagnostic imaging services by modality for WakeMed Fuquay-Varina Healthplex for Project Years 1-3. The applicant assumed that the use rates per 1000 ED visits will remain constant throughout the Interim Years and Project Years 1-3. The applicant then assumed that non-ED Outpatient CT, X-ray and Ultrasound procedures as a percentage of total procedures will remain constant over the same period.

Step 11: Calculate WakeMed Fuquay-Varina Healthplex Laboratory Volumes

In FY 2024, 60.3 percent of WakeMed Healthplex ED visits at all locations received a laboratory test. The applicant states that this percentage has remained relatively constant in recent years. The applicant assumes that this percentage would remain constant through FY 3 and applied it to project laboratory volumes at the WakeMed Fuquay-Varina Healthplex.

Projected utilization is reasonable and adequately supported for the following reasons:

- Projected utilization is supported by the historical utilization of existing ED services at other WakeMed Healthplex facilities.
- Projected utilization is supported by the applicant's historical (FY 2024) ED market shares by ZIP code area in the proposed service area.
- The applicant uses reasonable assumptions for in-migration of ED visits based on historical experience.
- The applicant provides reliable population growth and aging data to support its utilization projections.
- The applicant states that it bases diagnostic imaging service utilization on its own historical experience operating existing healthplex locations in Apex, Brier Creek, Garner, and Wendell.

Access to Medically Underserved Groups

In Section C.6, page 47, the applicant states the proposed freestanding ED will be accessible to all persons in need of medical and emergency care, including low income, racial and ethnic minorities, women, persons with disabilities, the elderly, Medicare and Medicaid beneficiaries. On page 48, 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*	26.0%
Racial and ethnic minorities	49.4%
Women	57.9%
Persons 65 and older	20.3%
Medicare beneficiaries	28.6%
Medicaid recipients	19.0%

Source: Table on page 48 of the application.

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 on the following information provided in Section C.6, pages 47-48, and Section L, pages 82-86, and referenced exhibits.

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 proposed satellite ED will be licensed as part of WakeMed Cary Hospital.
- The applicant bases its projected service to underserved groups based on its historical service to underserved groups.

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 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 to reduce a service, eliminate a service or relocate 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.

CA

The applicant proposes to develop a freestanding emergency department in Wake County licensed under WakeMed Cary Hospital.

In Section E, pages 56-57, 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 WakeMed's emergency department volumes continue to increase, along with the population of Wake County and the surrounding area. In FY 2024, WakeMed's systemwide total emergency department volume exceeded 350,000 visits, a 9.2 percent increase from FY 2022. As Wake County's suburban communities have grown, WakeMed's strategy of increasing accessibility to emergency services has resulted in significant ED volume growth at its freestanding emergency departments. WakeMed's healthplex facilities at Apex, Brier Creek, Garner and Wendell treated over 107,000 emergency patients in FY 2024, a 27.5 percent increase from FY 2022. Therefore, maintaining the status quo is not an effective alternative.

- Expand Emergency Department Existing WakeMed Locations
The applicant considered expanding emergency capacity at the existing WakeMed locations, but states this is not an effective alternative because expansion of an existing ED would require new construction, which is costly, time-consuming, disruptive to patient care, and would potentially take some capacity out of service during the construction. Therefore, this is not an effective alternative.
- Develop a Freestanding Emergency Department at Another Location in Wake County
The applicant states that WakeMed explored the option of developing the proposed project in a different part of Wake County to bring services to an area of the county where no such facility currently exists. WakeMed currently operates freestanding emergency departments in Apex (western Wake), Brier Creek (northwest Raleigh), Garner (southeast Wake), and Wendell (eastern Wake). WakeMed also has EDs at its acute care campuses at Raleigh (central Raleigh), North Hospital (northern Wake) and Cary (western Wake). These locations are spread throughout Wake County's fast-growing urban and suburban communities. The largest geographic gap between WakeMed EDs is in southern Wake County. Thus, this is not an 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 review criteria. Therefore, the application can be approved.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- 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. WakeMed (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
 - 2. The certificate holder shall develop WakeMed Fuquay-Varina Healthplex, a freestanding emergency department to be licensed under WakeMed Cary Hospital, including 24/7 emergency services, a CT scanner, ultrasound equipment, x-ray equipment, laboratory services, and pharmacy services.**
 - 3. The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditure in Section Q of the application and that would otherwise require a certificate of need.**
 - 4. 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.**
 - 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 January 1, 2026.**
 - 6. 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 a freestanding emergency department in Wake County licensed under WakeMed Cary Hospital.

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 Preparation	\$2,750,000
Construction/Renovation Contract(s)	\$17,625,000
Architect / Engineering Fees	\$1,150,000
Medical Equipment	\$9,025,603
Non-Medical Equipment	\$575,000
Furniture	\$425,000
Financing Costs	\$542,138
Interest during Construction	\$1,626,414
Other Fees, Permitting, Project Testing, Contingencies	\$4,591,936
Total	\$38,311,091

In Section Q, “*Assumptions: Form F.1a Capital Cost*”, page 113 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:

- Construction costs were based on the collective experience of the planning architect with construction costs in the local, regional and state markets with specific healthcare facilities development.
- Architect/engineering fees, third-party inspection fees, project testing, impact fees and permits were assumed by approximately 7 percent of the construction contract and site developments costs.
- Construction contingency was estimated to be approximately 5 percent of the construction contract and site development costs.
- Project scope contingency was estimated to be approximately 10 percent of construction, site and project fees.
- Medical equipment, non-medical equipment and furnishings based on WakeMed’s recent experience in developing hospital-based outpatient facilities.
- Capitalized interest during construction is assumed to be 4.5 percent of the total project cost, in the event that WakeMed opts to fund the project through bond issue.

In Section F.3, pages 60-61, the applicant projects that start-up costs will be \$1,039,572 and initial operating expenses will be \$879,219 for a total working capital of \$1,936,791. On page 60, the applicant provides the assumptions and methodology used to project the working capital needs of the project. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions based on the following:

- The applicant assumes start-up expenses are based on FY 2028 projected expenses and include six weeks of labor expense, one month of supply expense, and six weeks of overhead expense.

Availability of Funds

In Section F.2, page 58, the applicant states that the capital cost will be funded by WakeMed as shown in the table below:

Loans	\$0
Accumulated Reserves or Owner's Equity	\$38,311,091
Bonds	\$0
Other	\$0
Total	\$38,311,091

Exhibit F.1 contains a letter dated January 6, 2025, signed by a licensed architect attesting to the capital cost for the project. Exhibit F.2 contains a letter February 10, 2025, signed by the Executive Vice President and Chief Financial Officer for WakeMed, that confirms WakeMed's intent to provide sufficient funding for the project development and attesting to sufficient cash reserves for the proposed capital cost. Exhibit F.2 also contains the annual report (Form 10-K) for WakeMed for FY 2024 that indicates sufficient cash reserves for the project. The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project based on the information and documentation provided in Section F.2 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. In Form F.2b, 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.

	1 ST FULL FY CY 2027	2 ND FULL FY CY 2028	3 RD FULL FY CY 2029
Total ED Patient Visits*	9,308	18,923	19,236
Total Gross Revenues (Charges)	\$67,661,248	\$141,727,859	\$148,387,910
Total Net Revenue	\$13,177,583	\$27,372,335	\$28,416,424
Average Net Revenue per ED Visit	\$1,416	\$1,447	\$1,477
Total Operating Expenses (Costs)	\$12,057,144	\$16,546,171	\$17,339,883
Average Operating Expense per ED Visit	\$1,295	\$874	\$901
Net Income	\$1,120,439	\$10,826,164	\$11,076,541

Source: Form F.2b, Section Q, page 114 of the application.

*Emergency department visit projections are from Form C.4b in Section Q.

The assumptions used by the applicant in preparation of the pro-forma financial statements are provided in Section Q of the application. 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 applicant reasonably projects a positive cash flow in all three project years following project completion.
- Projected utilization is based on reasonable and adequately supported assumptions. See discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- 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 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 freestanding emergency department in Wake County licensed under WakeMed Cary Hospital.

N.C. Gen. Stat. §131E-176(24a) states, “*Service area means the area of the State, as defined in the State Medical Facilities Plan or rules adopted by the Department, which receives services from a health service facility.*” The 2025 SMFP does not define the service area for emergency departments. In Section C.1, page 28, the applicant identifies its service area for the proposed emergency services by ZIP Code. The ZIP codes identified by the applicant as being fully or partially within the proposed service area are 27501, 27526, 27529, 27539, 27540, 27592, and 27603. (See Section C.3, pages 32-34.) These ZIP codes cover areas in Wake County. Facilities may also serve residents of counties not included in their service area.

In Section G.1, page 66, the applicant states there are nine freestanding EDs in the proposed service area but identifies four existing providers of emergency services: Duke Raleigh Hospital, UNC Rex Hospital and WakeMed Raleigh Hospital, and WakeMed Cary Hospital.

Emergency Department Utilization at Wake County Facilities, FY 2023			
Hospital License No.	Facility/Location	Total ED Visits by Location	Total ED Visits by License No.
H0238	Duke Raleigh Hospital		46,537
H0065	UNC Rex Hospital (Main & Holly Springs)		92,430
H0199	WakeMed Raleigh Campus	136,102	
	WakeMed North Hospital	53,964	
	WakeMed Brier Creek Healthplex	29,412	
	WakeMed Garner Healthplex	39,861	
	Total License No. H0199		259,339
H0276	WakeMed Cary Hospital	50,352	
	WakeMed Apex Healthplex	20,739	
	Total License No. H0276		71,091
	Total WakeMed		330,430

Source: 2024 Hospital License Renewal Applications, and WakeMed internal data

In Section G.1, page 66, the applicant states that emergency department inventory is not regulated in the annual SMFP, but provider volumes are tracked in annual Hospital License Renewal Applications (LRAs). The provider identifies three freestanding emergency departments located in the proposed service area.

In Section G.2, page 67, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved emergency services in the service area. The applicant states:

“WakeMed System needs more emergency department capacity to address the growing demand for these services throughout Wake County. The WakeMed System treated over

350,000 emergency department visits in Fiscal Year 2024, an increase of nearly 10 percent since FY 2022.”

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 applicant adequately demonstrates that current ED utilization is high enough to support additional ED services in the proposed service area.
- The applicant adequately demonstrates that the proposed freestanding emergency department is needed in addition to the existing or approved providers of emergency services in the service area.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- 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 freestanding emergency department in Wake County licensed under WakeMed Cary Hospital.

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

WakeMed Fuquay-Varina Healthplex Projected Staffing	
POSITION	3RD FULL FY FY 2030
Manager Nursing Unit	1.00
Manager Pathology	0.20
Clinical Educator-Supv RN	2.00
Supervisor Pathology	0.20
Supervisor Registration	1.00
Clinical Nurse II	24.10
Pharmacist	0.80
Med Lab Scientist	7.00
Resp Therapist Reg	3.90
Respiratory, Team Leader	1.00
CT Tech	4.70
Radiology Tech	4.66
Ultrasound Tech	4.55
Nurse Aide	6.60
ED Patient Registration Rep	7.29
Materials Support Rep	1.20
Imaging Supervisor	1.00
Police Officers	4.50
Maintenance Tech	1.00
Paramedic	10.30
Total	87.0

Source: Section Q, Form H, page 119

The assumptions and methodology used to project staffing are provided in Section Q, page 120. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Section Q, Form F.3b. In Sections H.2 and H.3, pages 68-70, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs. The applicant also provides additional supporting information in Exhibit H.3.

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

- The applicant adequately documents the number of FTEs it projects will be needed to offer the proposed services.
- The applicant accounts for projected salaries and other costs of employment in its projected operating expenses found on Form F.3b in Section Q.
- The applicant provides adequate documentation of its proposed recruitment, training, and continuing education programs.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- 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 freestanding emergency department in Wake County licensed under WakeMed Cary Hospital.

Ancillary and Support Services

In I.1, page 71, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 71-72, the applicant explains how each ancillary and support service is or will be made available. The applicant also provides additional supporting information in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- The applicant currently provides emergency services through the WakeMed system and has ancillary and support services available for the proposed freestanding ED.
- The applicant states those services will be available for the proposed freestanding ED.

Coordination

In Section I.2, pages 72 -73, the applicant describes its relationships with other local health care and social service providers. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the information provided in Section I.2.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses 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 freestanding emergency department in Wake County licensed under WakeMed Cary Hospital.

In Section K.2, the applicant states that the project involves construction of 25,000 square feet of space in a new freestanding emergency department, diagnostic imaging, and laboratory services. Line drawings are provided in Exhibit K.1.

In Section K.4, pages 76-77, 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 site appears to be suitable for the proposed project based on the applicant's representations and supporting documentation.

In Section K.3, page 75, 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 project will not require additional financing and can be developed with existing accumulated reserves and provides supporting documentation in Exhibit F.2.

In Section K.3, page 76, 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 is sized to meet existing and expected new demand for emergency department services, outpatient diagnostic imaging, and laboratory services.

In Section K.3, page 76, and Exhibit B.19, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans based on the following:

- The applicant adopted the best practice and design guidelines outlined by the U.S. Green Building Council and Green Building Initiative.
- The applicant requires consultants and contractors under their engagement to use the U.S. Green Building Council's Leadership in Energy and Environmental Design ("LEED") criteria as the basis of building design and built with the goal of achieving LEED certification.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments

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;

NA

WakeMed Fuquay-Varina Healthplex is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

- (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 81, the applicant states that WakeMed is obligated under any applicable federal regulations to provide uncompensated care, community service, or access by minorities and handicapped persons. In Section L, page 81, the applicant states WakeMed is a non-for-profit, Tax Exempt organization. As such it is required to provide community benefits in exchange for tax exemption. The applicant states that WakeMed accepts Medicare and Medicaid reimbursement, which makes it subject to EMTALA requirements. WakeMed accepts all patients who present on campus and not only stabilizes, but also treats them. WakeMed has a policy for the care of persons with disabilities and provides documentation of such in Exhibit C.6.

In Section L, page 82, the applicant states that no civil rights equal access complaints were filed in the 18 months immediately preceding the application deadline against WakeMed.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Remarks made at the public hearing

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 82, the applicant projects the following payor mix for the proposed entire facility and for emergency services during the third full fiscal year of operation following project completion, as shown in the tables below:

PAYOR CATEGORY	WAKEMED FUQUAY- VARINA HEALTHPLEX PERCENT OF TOTAL PATIENTS SERVED FY 2030
Self-Pay^	7.0%
Medicare*	28.6%
Medicaid*	19.0%
Insurance*	40.3%
Other^^	5.1%
Total	100.0%

Source: Table on page 82 of the application

^Including charity care patients

^^Including Workman's Comp and Tricare patients

*Including any managed care plans

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 7.0% of all facility services at the proposed at WakeMed Fuquay-Varina Healthplex will be provided to self-pay patients, 19.0% to Medicaid patients and 28.6% to Medicare patients.

On page 84, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported because it is based on the historic payor mix at existing WakeMed healthplexes.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments

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 85, 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
- Written comments
- Responses to comments
- Remarks made at the public hearing

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 freestanding emergency department in Wake County licensed under WakeMed Cary Hospital.

In Section M, page 87, 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 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:

- The applicant provides documentation of extensive relationships with established area health professional training programs.
- The applicant has training agreements with health professional training programs at colleges and universities in the proposed service area.

- The applicant describes the clinical education training programs it provides access for and identifies numerous clinical education training programs it partners with to offer both training and access to its facilities.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses 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.

- (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 freestanding emergency department in Wake County licensed under WakeMed Cary Hospital.

N.C. Gen. Stat. §131E-176(24a) states, “*Service area means the area of the State, as defined in the State Medical Facilities Plan or rules adopted by the Department, which receives services from a health service facility.*” The 2025 SMFP does not define the service area for emergency departments. In Section C.1, page 28, the applicant identifies its service area for the proposed emergency services by ZIP Code. The ZIP codes identified by the applicant as being fully or partially within the proposed service area are 27501, 27526, 27529, 27539, 27540, 27592, and 27603. (See Section C.3, pages 32-34.) These ZIP codes cover areas in Wake County. Facilities may also serve residents of counties not included in their service area.

In Section G.1, page 66, the applicant states there are nine freestanding EDs in the proposed service area but identifies four existing providers of emergency services: Duke Raleigh Hospital, UNC Rex Hospital and WakeMed Raleigh Hospital, and WakeMed Cary Hospital.

Emergency Department Utilization at Wake County Facilities, FY 2023			
Hospital License No.	Facility/Location	Total ED Visits by Location	Total ED Visits by License No.
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H0276	WakeMed Cary Hospital	50,352	
	WakeMed Apex Healthplex	20,739	
	Total License No. H0276		71,091
	Total WakeMed		330,430

Source: 2024 Hospital License Renewal Applications, and WakeMed internal data

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 89, the applicant states,

“It is expected that the proposed project will have a positive effect on competition in the proposed service area. Wake County is served by three major health care systems that operate five acute care hospitals and four stand-alone emergency departments. As such, competition for patients, physicians and staff in the area is quite strong. WakeMed is the leading provider of advanced health care services in Wake County. Since its founding in 1961, WakeMed has been at the forefront in offering one-of-a-kind services and the latest technology with an outstanding commitment to care and caring for all residents of Wake and surrounding counties, regardless of socioeconomic status, gender, sexual orientation, race, or ethnicity. The proposed project is the next step in WakeMed’s commitment to ensure timely and adequate access to comprehensive, coordinated care for all patients.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 89, the applicant states,

“The proposed project involves necessary expansion of WakeMed services to meet the burgeoning Wake County population. WakeMed has significant experience providing freestanding emergency department services at multiple locations throughout the county and has used this experience to streamline design costs and operational expenses. Additional capacity within the WakeMed system will result in cost effective provision of services at all locations. By increasing the inventory of nearby services, WakeMed will offer southern Wake County residents healthcare services closer to their homes and workplaces, thereby reducing travel times and increasing the opportunity for timely follow up care.”

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 89-90, the applicant states,

“WakeMed strives to provide high-quality services to all. Because the proposed project will be part of WakeMed Cary, the facility will follow and maintain the same quality and performance improvement policies and programs already established at WakeMed...

... In its mission of continuous quality improvement, WakeMed has garnered numerous accolades and accreditations attesting to its effective provision of highest quality care in a broad range of services. Most recently, WakeMed received the 2024 NCHA Award for Quality Innovation in Community Health. WakeMed is sharing lessons learned from serving traditionally under-resourced persons with other local hospitals and with national agencies, including the White House and Department of Defense. As WakeMed continues to expand access to acute care and surgical services throughout the service area, these plans will continue to ensure that quality care is provided to all patients, including persons identified as medically underserved.”

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 90-91, the applicant states,

“The WakeMed system does not discriminate against any patient based on income, age, sexual orientation, gender, ethnicity, physical handicap, ability to pay, or insurance coverage.”

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 ensures the quality of the proposed services.
- 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
- Written comments

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 121 the applicant identifies two licensed hospitals that include a total of six EDs located in North Carolina owned, operated or managed by the applicant or a related entity.

In Section O, page 93, the applicant states that, during the 18 months immediately preceding the submittal of the application, there has been one situation resulting in a finding of immediate jeopardy during the last 18-month look-back period. 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, there were no incidents related to quality of care that occurred in any of its 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 its two hospitals and six ED facilities, 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.

NA

The applicant proposes to develop a freestanding emergency department in Wake County licensed under WakeMed Cary Hospital. There are no administrative rules that are applicable to proposals to develop a freestanding emergency department.