North Carolina State Health Coordinating Council  
c/o Medical Facilities Planning Section  
Division of Health Service Regulation  
2714 Mail Service Center  
Raleigh, NC 27699-2714

Re: Cape Fear Valley Health System’s Petition for an Adjustment to the Acute Care Bed Need Determination in the Proposed 2014 SMFP to Decrease the Need for 126 Acute Care Beds in the Cumberland Service Area to 34 Acute Care Beds in the Cumberland Service Area

I. Petitioner

Sandy Godwin  
Executive Director of Corporate Planning  
Cape Fear Valley Health System  
P.O. Box 2000  
Fayetteville, NC 28302-2000  
stgodwin@capefearvalley.com

II. Requested Adjustment

Cape Fear Valley Health System (CFVHS) is submitting this petition for an adjustment to Table 5B: Acute Care Bed Need Determinations in the Proposed 2014 State Medical Facilities Plan (SMFP) to show an adjusted bed need determination for the Cumberland Service Area of 34 acute care beds if the FirstHealth Hoke Community Hospital opens in 2013 as expected.

Currently Table 5B shows a need for 0 acute care beds in the Proposed 2014 State Medical Facilities Plan. However, Table 5A identifies a need for 126 additional acute care beds in Cumberland Service Area. If the FirstHealth Hoke Hospital does open as scheduled in 2013, there is no longer a requirement to zero out the bed need in Cumberland County. Thus, the acute care bed need for Cumberland County will be determined by the Acute Care Bed Need Methodology. Using that Methodology, Cumberland County will show a need for 126 acute care beds in Table 5B for Cumberland County. Cape Fear Valley Health System believes the Proposed 2014 SMFP bed need for Cumberland County needs to be further analyzed.

III. Reasons for Proposed Adjustment

Cumberland County has experienced significant population growth during the last several years. Much of that growth was directly associated with the military and the Base Reassignment that occurred during that time. The population growth essentially has flattened and in fact was not as large as originally projected.

As a result of this growth Cape Fear Valley Medical Center (CFVMC) already has added 96 acute care beds over the last several years and has CON approval to add 65 more acute care beds
in Cumberland County. In addition, CFVHS will be opening a 41 bed acute care hospital in Hoke County in 2014; these are all new acute care beds.

CFVMC continues to operate at very high utilization as illustrated in the following table. The opening of the CFV Hoke Community Hospital in 2014 should help relieve the need for continued use of temporary licensed beds at CFVMC. However, even with the additional 41 beds at CFV Hoke Community Hospital and the 65 beds at CFV North, utilization of existing licensed bed capacity at CFVMC, with and without the 49 temporary acute care beds and with and without the additional CON approved acute care beds, continues to exceed the 78% planning target.

### Cape Fear Valley Medical Center
### Acute Care Bed Utilization 2008-2012

<table>
<thead>
<tr>
<th></th>
<th>SMFP/Truven Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cape Fear Valley Medical Center</td>
<td>145,017</td>
</tr>
<tr>
<td>Licensed Beds</td>
<td>487</td>
</tr>
<tr>
<td>Utilization of Licensed Beds</td>
<td>82%</td>
</tr>
<tr>
<td>Licensed and Temporary Licensed Beds</td>
<td>487</td>
</tr>
<tr>
<td>Utilization of Licensed and Temporary Licensed Beds</td>
<td>82%</td>
</tr>
<tr>
<td>Licensed and CON Approved Beds</td>
<td>531</td>
</tr>
<tr>
<td>Utilization of Licensed and CON Approved Beds</td>
<td>75%</td>
</tr>
</tbody>
</table>

As shown above, even if all of the additional 106 acute care beds approved for CFVHS were operational in 2013, utilization of CFVHS would have been greater than the 78% planning target for all 596 licensed and CON approved acute care beds which results in additional acute care beds need at CFVMC utilizing in the SMFP Acute Care Bed Need Methodology.

Cape Fear Valley Health System is requesting the adjusted bed need determination based upon the following factors.
1. Acute Care Bed Methodology Growth Rate for Cumberland County is Too High

The Acute Care Bed Need Methodology utilizes facility specific growth rates. This means that the bed need reflected in the Proposed 2014 SMFP was generated solely by CFVCM, since CFVCM is the only acute care provider in the service area.

In FFY 2011, CFVCM began operating 49 additional temporary licensed beds. A temporary licensed bed is a special approval received from the DHSR Licensure Section which allows hospitals to operate over their licensed acute care capacity when occupancy levels are consistently above 90%. CFVCM has received approval from DHSR continually for the last 30 months for 49 temporary licensed beds as reflected in Attachment 1. As a result of this additional capacity, growth at CFVCM peaked from FFY 2010 to FFY 2011 resulting in a one year growth rate for CFVCM of 10.1% as shown below.

The average growth at CFVCM over the last five years was 3.80% as reflected in the reflected in the Proposed 2014 SMFP. However the average annual growth rate calculation in the Proposed 2014 SMFP includes a spike year of 10.1% resulting from the opening of the 49 temporary licensed acute care beds. Patient days at CFVCM decreased slightly from 2011-2012 and has increased slightly in the current year, 2012-2013. CFVCM believes the “spike” year skews the average and, as a result, the 3.8% SMFP growth rate is overstated. Removing the 10.1% “spike” annual growth rate from the calculation of the SMFP growth rate for Cumberland County in Step 4 of the SMFP Acute Care Bed Need Methodology results in an “adjusted” 4 Year Growth Rate of 1.67% in Step 4 as shown in the following table.

**Cumberland County Adjusted 4 Year Growth Rate**

<table>
<thead>
<tr>
<th></th>
<th>FFY 2008</th>
<th>FFY 2009</th>
<th>FFY 2010</th>
<th>FFY 2011</th>
<th>FFY 2012</th>
<th>Avg 4 Year Growth Rate</th>
<th>Avg 4 Year Growth Rate - Adjusted to Remove Spike Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cape Fear Valley</td>
<td>145,017</td>
<td>150,096</td>
<td>154,432</td>
<td>170,143</td>
<td>167,794</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patient Days</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Growth Rate</td>
<td>3.50%</td>
<td>2.89%</td>
<td>10.17%</td>
<td>-1.38%</td>
<td>3.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Growth Rate</td>
<td>3.50%</td>
<td>2.89%</td>
<td></td>
<td>-1.38%</td>
<td></td>
<td>1.67%</td>
<td></td>
</tr>
</tbody>
</table>

Calculating the acute care bed need for Cumberland County using the “adjusted” 4 Year Growth Rate of 1.67% in Step 4 results in an acute care bed need of 75 beds for Cumberland County as shown in the following table.
### Cumberland County Acute Care Beds Using “Adjusted” 4 Year Growth Rate

<table>
<thead>
<tr>
<th></th>
<th>Licensed Beds</th>
<th>Approved Beds</th>
<th>2012 Truven Days</th>
<th>Growth Rate</th>
<th>Projected ADC</th>
<th>Projected Days</th>
<th>Bed Need</th>
<th>Bed Need Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumberland</td>
<td>490</td>
<td>65</td>
<td>167,794</td>
<td>1.0167</td>
<td>491</td>
<td>179,288</td>
<td>630</td>
<td>75</td>
</tr>
<tr>
<td>Cape Fear Valley</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This change is consistent with actions taken by the SHCC regarding previous petitions submitted to decrease acute care bed need. Deleting the “spike” year in calculating the 4 year growth rate decreases the bed need in Cumberland County to 75 acute care beds.

#### 2. Cape Fear Valley Acute Care Beds Under Development

CFVHS currently has 106 new acute care beds under development in Cumberland County and Hoke County.
- 65 acute care beds in Cumberland County
- 41 bed acute care hospital in Hoke County

The 65 beds under development in Cumberland County are included in the Cumberland County inventory in the Acute Care Bed Need Methodology. The 41 beds under development by CFVHS in Hoke County are not included in the Cumberland County acute care bed inventory in the Acute Care Bed Need Methodology. However, the days of care which generated the need for Cape Fear Valley’s 41 acute care bed hospital in Hoke County are included in the 2012 Truven patient days utilized in the Acute Care Bed Need Methodology to calculate the Cumberland County acute care bed need. As a result, the bed need for Cumberland County needs to be reviewed.

Cape Fear Valley Hoke Community Hospital will open in 2014 and patient days will shift from Cape Fear Valley Medical Center to fill the 41 beds at Cape Fear Valley Hoke Community at that time. Therefore, an adjustment needs to be made to the Cumberland County bed need deficit resulting from the Acute Care Bed Need Methodology to account for this future shift in patient days from Cumberland County to Hoke County.
CFVHS proposes an adjustment to the acute care bed need for Cumberland County, decreasing the bed need deficit in Table 5B from 126 to 34 acute care beds in the 2014 SMFP.

IV. **Duplication of Health Resources**

Cape Fear Valley Medical Center is the only hospital located in Cumberland Service Area and serves as referral center for surrounding counties. Because of Cape Fear Valley Medical Center’s unique situation, there will not be a duplication of services. A duplication of services suggests that there would be an excess of services within the market. The data and the narrative provided demonstrates that while there is an identified need for additional acute care beds in Cumberland Service Area in the Proposed 2014 SMFP there are 106 beds in the area not yet developed and other circumstances in the market which make adjusting the need for 126 additional beds to 34 additional beds in the Proposed 2014 SMFP the most reasonable health planning decision.

V. **Consistency with SMFP Basic Principles**

The petition is consistent with the provisions of the Basic Principles of the State Medical Facilities Plan.

1. **Safety and Quality Basic Principle**

The State of North Carolina recognizes the importance of systematic and ongoing improvement in the quality of health services. Providing care in a timely manner is a key component of assuring safety and quality care to the citizens of Cumberland Service Area and western North Carolina. Emerging measures of quality address both favorable clinical outcomes and patient satisfaction, while safety measures focus on the elimination of practices that contribute to avoidable injury or death and the adoption of practices that promote and ensure safety. Providing appropriate care in the appropriate setting works to assure quality care. Cape Fear Valley Medical Center participates in a variety of nationally recognized metrics addressing these criteria, including programs at both the federal and state levels. CFVMC has participated in the North Carolina Hospital Quality Performance Report since initiation and has continually improved quality scores since 2007. The proposed adjusted need determination for Cumberland
Service Area is consistent with this basic principle as it will result in continued provision of care in an appropriate setting in a timely manner.

2. Access Basic Principle

Equitable access to timely, clinically appropriate and high quality health care for all the people of North Carolina is a foundation principle for the formulation and application of the North Carolina State Medical Facilities Plan. The formulation and implementation of the North Carolina State Medical Facilities Plan seeks to reduce all of these types of barriers to timely and appropriate access. The first priority is to ameliorate economic barriers and the second priority is to mitigate time and distance barriers. The SMFP is developed annually as a mechanism to assure the availability of necessary health care services to a population. The proposed adjustment will not negatively impact access to inpatient services for residents of Cumberland County as previously discussed.

The impact of economic barriers is twofold. First, individuals without insurance, with insufficient insurance, or without sufficient funds to purchase healthcare will often require public funding to support access to regulated services. Cape Fear Valley Medical Center has long been recognized as the safety net for patients regardless of income or insurance in south central North Carolina. As the tertiary provider for south central North Carolina, Cape Fear Valley Medical Center has no barriers to care for the uninsured and the underinsured.

3. Value Basic Principle

The SHCC defines health care value as maximum health care benefit per dollar expended. Disparity between demand growth and funding constraints for health care services increases the need for affordability and value in health services. Measurement of the cost component of the value equation is often easier than measurement of benefit. Cost per unit of service is an appropriate metric when comparing providers of like services for like populations. The cost basis for some providers such as Cape Fear Valley Medical Center, one of the top ten providers of inpatient Medicaid days in North Carolina, may be inflated by disproportionate care to indigent and underfunded patients.

Measurement of benefit is more challenging. Standardized safety and quality measures, when available, can be important factors in achieving improved value in the provision of health services. Cape Fear Valley Medical Center participates in a variety of benchmark programs to compare the use of inpatient and outpatient resources to other large tertiary hospitals. CFVMC uses this information to improve processes and decrease costs wherever possible.

VI. Summary

For all of these reasons, Cape Fear Valley Health System believes that decreasing the 126 bed need for Cumberland County in the Proposed 2014 SMFP to 34 acute care beds is the most reasonable health planning option at this time. Letters from CFVHS leadership supporting this Petition are included in Attachment 2. CFVHS believes that a better understanding of the impact of the beds under development and the impact of health care reform is needed.
The Petitioners request that the State Health Coordinating Council adjust the need determination as requested. Therefore, the Petitioners specifically request a specific adjustment in the Proposed 2014 SMFP approving their request to:

**Adjust Table 5B: Decrease the Acute Care Bed Need Determinations for Cumberland Service Area from 126 additional acute care to 34 acute care beds in the Proposed 2013 State Medical Facilities Plan (SMFP).**

Thank you for consideration of the Petition.
March 7, 2011

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of March 3, 2011, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective March 3, 2011, through May 2, 2011.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
    Section Chief, Construction (via email)
    Sandy Godwin, Executive Director of Planning

AYC
May 2, 2011

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of April 26, 2011, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective May 2, 2011 through July 1, 2011.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
Section Chief, Construction (via email)
Sandy Godwin, Executive Director of Planning

/AYC
June 30, 2011

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of June 29, 2011, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective July 1, 2011 through August 30, 2011.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
    Section Chief, Construction (via email)
    Sandy Godwin, Executive Director of Planning

/AYC
August 31, 2011

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of August 30, 2011, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective August 31, 2011 through October 30, 2011.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
   Section Chief, Construction (via email)
   Sandy Godwin, Executive Director of Planning

/AYC
August 31, 2011

*AMENDED

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of August 30, 2011, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective *September 1, 2011 through *October 31, 2011.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
    Section Chief, Construction (via email)
    Sandy Godwin, Executive Director of Planning

/AYC
November 1, 2011

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of October 27, 2011, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective November 1, 2011 through December 31, 2011.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
    Section Chief, Construction (via email)
    Sandy Godwin, Executive Director of Planning

/AYC
December 29, 2011

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of December 22, 2011, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective January 1, 2012 through March 1, 2012.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
    Section Chief, Construction (via email)
    Sandy Godwin, Executive Director of Planning

/AYC
February 23, 2012

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of *February 23, 2012*, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective *March 2, 2012* through *May 1, 2012*.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azizzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)  
Section Chief, Construction (via email)  
Sandy Godwin, Executive Director of Planning

/AYC
May 4, 2012

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of April 25, 2012, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective May 2, 2012 through July 1, 2012.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
    Section Chief, Construction (via email)
    Sandy Godwin, Executive Director of Planning

/AYC
July 2, 2012

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of June 27, 2012, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective July 2, 2012 through August 31, 2012.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
    Section Chief, Construction (via email)
    Sandy Godwin, Executive Director of Planning

/AYC
August 31, 2012

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of August 28, 2012, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective September 1, 2012 through October 31, 2012.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
   Section Chief, Construction (via email)
   Sandy Godwin, Executive Director of Planning

/AYC
October 30, 2012

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of October 29, 2012, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective November 1, 2012 through December 31, 2012.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
    Section Chief, Construction (via email)
    Sandy Godwin, Executive Director of Planning

/AYC
December 30, 2012

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of December 27, 2012, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective January 1, 2013 through March 1, 2013.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzi Y. Conley

Azzi Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
    Section Chief, Construction (via email)
    Sandy Godwin, Executive Director of Planning

/AYC
February 28, 2013

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of February 26, 2013, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective March 2, 2013 through May 1, 2013.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
Section Chief, Construction (via email)
Sandy Godwin, Executive Director of Planning

/AYC

Acute and Home Care Licensure and Certification Section
http://www.ncdhhs.gov/dhar/
Phone: (919) 855-4620 v Fax: (919) 715-3073
Location: 1205 Umstead Drive (Lineberger Building) v Dorothea Dix Hospital Campus v Raleigh, N.C. 27603
An Equal Opportunity / Affirmative Action Employer
North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
2712 Mail Service Center • Raleigh, North Carolina 27699-2712

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS  
Drexdal Pratt, Director

May 8, 2013

Mr. Michael Nagowski, CEO  
Cape Fear Valley Medical Center  
P O Box 2000  
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of April 26, 2013, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective May 2, 2013 through July 1, 2013.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)  
Section Chief, Construction (via email)  
Sandy Godwin, Executive Director of Planning

/AYC

Acute and Home Care Licensure and Certification Section  
http://www.ncdhhs.gov/dhsr/  
Phone: (919) 855-4620 • Fax: (919) 715-3073  
Location: 1205 Umstead Drive (Lineberger Building) • Dorothea Dix Hospital Campus • Raleigh, N.C. 27603  
An Equal Opportunity / Affirmative Action Employer
July 8, 2013

Mr. Michael Nagowski, CEO
Cape Fear Valley Medical Center
P O Box 2000
Fayetteville, NC 28461

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Nagowski:

This letter is in response to your correspondence of June 27, 2013, requesting a temporary bed increase of a total of 49 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of 49 additional beds is approved, effective July 2, 2013 through August 31, 2013.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

Azzie Y. Conley
Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)
Section Chief, Construction (via email)
Sandy Godwin, Executive Director of Planning

AYC

Acute and Home Care Licensure and Certification Section
http://www.ncdhhs.gov/dhhs/
Phone: (919) 855-4620 v Fax: (919) 715-3073
Location: 1205 Umstead Drive (Lineberger Building) v Dorothea Dix Hospital Campus v Raleigh, N.C. 27603
An Equal Opportunity / Affirmative Action Employer
July 31, 2013

Mr. Jerry Parks
Chairman, North Carolina State Health Coordinating Council
c/o Medical Facilities Planning Branch
Division of Health Service Regulation
2714 Mail Service Center
Raleigh, NC 27699-2714

Re: Cape Fear Valley Health System Petition for an Adjustment to the Acute Care Bed Need Determination to Decrease the Need from 126 to 34 Acute Care Beds in the Cumberland Service Area in the 2014 SMFP

Dear Mr. Parks:

I am the Chief Medical Officer for Cape Fear Valley Health System (CFVHS) and a member of the medical staff.

Cumberland County has experienced significant population growth during the last several years. Much of that growth was directly associated with the military and the Base Reassignment that occurred during that time. As a result of that growth, Cape Fear Valley Medical Center (CFVMC) added 96 acute care beds over the last several years, and has CON approval to add 65 more acute care beds in Cumberland County. In addition, CFVHS will be opening a 41-bed acute care hospital in Hoke County in 2014, which are all new acute care beds. Since then, the population growth essentially has flattened, and population increases were, in fact, not as large as originally projected.

CFVHS submitted a Petition for an adjustment to the acute care bed need determination for the Cumberland Service Area for 34 acute care beds in the 2014 SMFP. That adjustment is taken into consideration the future opening of CFVHS Community Medical Center which will open in 2014.

CFVHS requests the adjusted bed need determination based upon the following factors:

- Acute care bed methodology growth rate for Cumberland County is too high
- Acute care beds under development by CFVHS.

For these reasons, CFVHS believes that decreasing the 126 bed need for Cumberland County in the Proposed 2014 SMFP to 34 acute care beds is the most reasonable health planning option at this time. Further, CFVHS believes that a better understanding of the impact of the beds under development is needed.

Please convey to the members of the Acute Care Services Committee and the State Health Coordinating Council, my approval and enthusiastic support for CFVHS’s Petition.

Sincerely,

Christopher T. Aul, MD, Chief Medical Officer
Cape Fear Valley Health System
July 31, 2013

Mr. Jerry Parks
Chairman, North Carolina State Health Coordinating Council
c/o Medical Facilities Planning Branch
Division of Health Service Regulation
2714 Mail Service Center
Raleigh, NC 27699-2714

Re: Cape Fear Valley Health System Petition for an Adjustment to the Acute Care Bed Need Determination to Decrease the Need from 126 to 34 Acute Care Beds in the Cumberland Service Area in the 2014 SMFP

Dear Mr. Parks:

I am the Chief Nursing Officer for Cape Fear Valley Health System (CFVHS).

Cumberland County has experienced significant population growth during the last several years. Much of that growth was directly associated with the military and the Base Reassignment that occurred during that time. As a result of that growth, Cape Fear Valley Medical Center (CFVMC) added 96 acute care beds over the last several years, and has CON approval to add 65 more acute care beds in Cumberland County. In addition, CFVHS will be opening a 41-bed acute care hospital in Hoke County in 2014, which are all new acute care beds. Since then, the population growth essentially has flattened, and population increases were, in fact, not as large as originally projected.

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Sincerely,

[Signature]
Jana Stonestreet, Ph.D., RN, NEA-BC, Chief Nursing Officer
Cape Fear Valley Health System
July 31, 2013

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Chairman, North Carolina State Health Coordinating Council
c/o Medical Facilities Planning Branch
Division of Health Service Regulation
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Dear Mr. Parks:

I am Chairman of the Cumberland County Board of Commissioners.

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Sincerely,

Jimmy Keefe, Chairman
Cumberland County Board of Commissioners