

**THE MISSING FACTS**

**SPIN #1**  
The WAXHAW ED was never yours (Union Taxpayers). You get to rent it for 10 years and pay 72% of the cost and then you're out.

# Why is *your* Emergency Department in Waxhaw not open

## AN OPEN LETTER TO OUR PATIENTS AND FRIENDS IN UNION COUNTY

Dear Patients and Friends:

Many of our patients and friends in Union County have taken time to ask us for current information about the completion schedule of CMC-Waxhaw, a new free-standing emergency department under development in western Union County. We want you to have the facts.

**CMC-Waxhaw is critically important to the citizens who live in the western part of Union County, an area without nearby access to emergency medical services.** Carolinas HealthCare System recognized the need for this innovative project a number of years ago. We requested permission from the State of North Carolina to build CMC-Waxhaw, and the citizens of Union County expressed their support. The State agreed that there was a need for CMC-Waxhaw and granted permission to build it by issuing a Certificate of Need to Carolinas HealthCare System and CMC-Union.

The building structure is essentially complete. If you drive by today, you will see that CMC-Waxhaw looks as though it is ready to be occupied. All that is needed is to finish the interior of the building and install the furniture, fixtures and equipment. **Why, then, is the building standing empty?** Why are we not yet caring for emergency patients who could benefit tremendously from close proximity to a full service emergency department with the full continuum of care available from Carolinas HealthCare System?

**The simple answer: politics.** Carolinas HealthCare System (CHS) operates CMC-Union under a lease agreement with Union County. Under that lease agreement, which has 10 years remaining on the term, the Union County Board of Commissioners must approve any capital expenditure by CMC-Union (of CMC-Union's funds) over \$500,000. **CHS bought the land and built the structure for CMC-Waxhaw, and CMC-Union planned to pay** for the furniture, fixtures and equipment for the facility, which will cost about \$5.2 million. The need to expend CMC-Union's funds is not a surprise to anyone as these costs have been factored into the construction schedule from the beginning. In recent months, however, some members of the Union County Board of Commissioners have tied the completion of CMC-Waxhaw to current questions they have raised regarding a potential sale of CMC-Union.

We believe it is wrong to delay the completion of CMC-Waxhaw while the Board of Commissioners debates other unrelated issues. While some members of the Union County Board debate the feasibility of a sale of the hospital, the healthcare needs of citizens in the western part of Union County are being put on a back burner.

**If you want to help speed up the completion of CMC-Waxhaw and free it from the chains of other County business, we recommend doing the following:**

- First, you can stay informed about the status of the project by visiting [www.cmc-waxhaw.org](http://www.cmc-waxhaw.org), a Web site about CMC-Waxhaw that will keep you up-to-date regarding project details as well as provide you with an e-mail link to ask us questions.
- Next, you can share your views with your County Commissioners by contacting them directly by phone, mail or e-mail. Contact information for all County Commissioners is available online at [www.co.union.nc.us](http://www.co.union.nc.us). It is important that your elected County representatives know your views on the need to complete CMC-Waxhaw.

The team of employees at CMC-Union and Carolinas HealthCare System are eager to complete CMC-Waxhaw and bring badly needed emergency services closer to you. We have worked hard for more than four years to make CMC-Waxhaw a reality. Let's continue working together to make CMC-Waxhaw a reality now!

Dennis Phillips  
Executive Vice President  
Carolinas HealthCare System

If this expensive full-page advertisement paid for by the Health-Care Monopoly, filled with misleading information and falsehoods has you troubled, then by any or all means contact Mr. Dennis Phillips and let him know how you feel!  
**Call Mr. Phillips at 704-355-8670 or email him at [dennis.phillips@CarolinasHealthcare.org](mailto:dennis.phillips@CarolinasHealthcare.org)**

## THE DEVELOPMENT HISTORY OF CMC-WAXHAW

Carolinas HealthCare System (CHS) and CMC-Union submitted an application for a Certificate of Need to the State of North Carolina, seeking permission to develop a free-standing emergency department in Waxhaw. The State awarded a CON in 2008.

Board of Commissioners authorized an extension for CMC-Union.

Dec. 2008 CHS tells the County that the proposed 2008 lease was the only lease they would get.

• CHS and CMC-Union originally planned for CHS to purchase the land for CMC-Waxhaw and for CMC-Union to pay for and own the building. As the time to begin construction on the building came closer, CMC-Union determined it did not have enough capital reserves to build CMC-Waxhaw and pursue other important projects for its patients such as, for example, making substantial improvements to the emergency department at CMC-Union and adding PET and CT scanners. As site preparation for the building began in 2008, CHS funded construction costs and, in the fall of 2009, agreed to pay for the building and lease it to CMC-Union so that CMC-Union could use its reserves for other projects.

• In April 2009, the Union County Board of Commissioners voted to engage a third party to help the County evaluate its "options" with respect to the right to own and operate the hospital that is leased to Carolinas HealthCare System through 2020.

• On October 19, 2009, the State of North Carolina approved a request by CHS and CMC-Union to reallocate their obligations under the Certificate of Need. The State agreed that CHS and CMC-Union could modify the funding and ownership arrangements so that CHS would purchase and own the building and lease it to CMC-Union. This allowed CMC-Union to use the capital reserves it would have used to purchase the building for other projects.

**SPIN #5**  
This action was taken behind the back of Union County. CHS left out lease term change too!

• On April 21, 2008, while construction of CMC-Waxhaw was underway, the Union County Board of Commissioners voted unanimously (5-0) to authorize an extension of the CMC-Union lease with CHS through 2048. The long term nature of a lease extension would have paved the way for CHS to continue making needed improvements and expansions to better serve the healthcare needs of all Union County residents. Months later, the

• On November 2, 2009, the Board of Commissioners authorized an agreement of services with the firm of Kaufman Hall on the potential sale of CMC-Union.

• CHS remains committed to completing CMC-Waxhaw to address the emergency medical needs of western Union County residents and remains eager to be the long term healthcare provider for all Union County residents.

**SPIN #6**  
Kaufman Hall was hired to advise and represent the County in lease negotiations and a possible sale. The **Hospital Trustee Council** unanimously approved hiring of Kaufman Hall as well.

Politics was not an issue until the placing of this PAID advertisement. The Commissioners were still negotiating an equitable agreement, which apparently was NOT what Mr. Phillips had in mind.

**SPIN #4**  
Any delay is due to the simple fact that CHS changed the deal from what was approved by the state. Asking Commissioners to accept a 10 year @ \$1.2 million per year NO EQUITY lease from a 50 year @ \$90K per year lease.

**SPIN #7**  
This section contradicts the specific documents they filed with the state for the CON application, which stated that CMC-UNION has sufficient reserves to build the ED and all other projects.

**SPIN #8**  
The Commissioners voted on lease concepts which included a \$25 million up front payment and \$200 million of new investments. The actual written lease **was very different**, the investments were NOT as promised and at the end of the 28 year lease extension, Union County would not own a functional hospital to re-lease or sell.