



top story

Atrium makes bold push into Greensboro with community hospital plan

Richard Craver - Mar 5, 2023

Filling pivotal healthcare market gaps — internally and within the Triad — is the motivation behind Atrium Health’s proposal to open a \$246.5 million, 36-bed community hospital in northern Greensboro by July 2026.

The Charlotte-based healthcare system has filed a “certificate-of-need” application with state health regulators that became public in late February.

The system projects getting a decision from the N.C. Division of Health Service Regulation by Sept. 1 and — if approved — construction commencing by December 2024.

Atrium has said little about its proposal. It’s clear, however, from the application that Atrium desires a hospital presence in the state’s third-largest city, which also is the largest city without two competing hospitals.

Atrium also wants to become the first healthcare system to operate a hospital in the Triad’s three largest cities.

“Approval of Greensboro Medical Center will enable Greensboro to match the other top five North Carolina cities in hosting multiple hospital systems and having local hospital competition, which will be a benefit to local residents,” according to the application.

Atrium said the proposed campus at 2909 Horse Pen Creek Road would provide more healthcare services for city residents and surrounding counties.

Greensboro Mayor Nancy Vaughan said she looks forward to “learning more about the proposal and why the Horse Pen Creek location was chosen.”

“Last year, Cone Health opened a new integrated healthcare facility less than two miles away,” she said. “We have a need for healthcare in underserved areas of our city. We welcome more healthcare providers especially in areas where they can really have an impact.”

Replanting flag

Atrium would be able to replant a strategic flag as it grows comfortable in its affiliation with Advocate Health, the nation's fifth-largest healthcare system.

This time, the Atrium brand would be front and center in Greensboro.

Keith Debbage, a joint professor of Geography & Sustainable Tourism and Hospitality at UNCG, said that "a healthcare market that offers choice may well translate to healthcare services that offer more competitive, affordable prices.

"Given the large market share that Cone enjoys in Guilford County," he said, "this may be a good thing."

In June 2012, Atrium (then branded as Carolinas HealthCare System) entered into a 10-year management contract with Cone in which it gleaned valuable operational insight into the Greensboro and Guilford County marketplaces. That contract ended in February 2020 by mutual consent as Atrium was negotiating with Wake Forest Baptist to expand its collaboration beyond a November 2019 agreement. That agreement proved to be the catalyst that led to Atrium acquiring all of Baptist in October 2020.

Meanwhile, Cone said it "will carefully study the proposal (from Atrium) to build a new hospital in Greensboro."

In 2022, Cone opened the 160,000-square-foot MedCenter Greensboro facility at Drawbridge Parkway that's just 2.1 miles away from the proposed Greensboro Medical Center site.

"For 70 years, Cone Health has been the healthcare provider of choice to people in the Greensboro area. In that time, we have developed a reputation for compassionate, nationally-leading, high-quality health care. That will not change."

Primary motivations

The system lists in the application nine primary reasons in support of the proposal.

The common denominator is that providing Atrium-branded services as competition to Moses Cone Hospital would be good for consumers and patients in a part of the city lacking nearby hospital options.

"Atrium Health Wake Forest Baptist has had a presence in Greensboro for years, including a number of primary, specialty and urgent-care clinics," according to the healthcare system.

Greensboro and Guilford County residents — as expected — are projected to represent the most potential patients being served at the Greensboro Medical Center campus, according to the application.

However, while 47% of the projected nearly 20,000 patients in the first year would be from Guilford, another 31% are expected from Forsyth County, as well as from Rockingham County (10%) and Stokes County (7%).

Atrium said its Greensboro hospital campus could reach nearly 25,000 patients by the third year.

The N.C. Office of State Budget and Management projects that Guilford County will grow from 546,934 residents at the start of 2023 to 571,828 by the end of 2029. More than 15,000 people would be residents ages 65 and older.

“The county is home to a growing segment of residents over the age of 65,” according to the application. “These factors will continue to create ongoing future demand for hospital services capacity, including emergency department visits, inpatient stays and surgery procedures.”

Healthcare systems have been an under-the-radar component of economic development in recent decades. Having nearby emergency departments as well as outpatient and inpatient care is a key checkoff factor that relocating companies consider along with a skilled workforce and affordable housing options, according to John H. Boyd with site-selection firm The Boyd Co. of Boca Raton, Fla.

For example, Davie Medical Center was marketed by Baptist in the late 2000s as a potential retail catalyst around the 88-acre Bermuda Run campus.

Ashley Furniture Industries (1,600 jobs) and Gildan Activewear (more than 200 jobs) both cited having a nearby community hospital as a determining factor in choosing Davie County for major manufacturing campuses.

Meanwhile, similar hospitals in suburban Mecklenburg County, such as Huntersville, Matthews and Pineville, have been accompanied by significant retail development.

Guilford expectations

Atrium said adding Greensboro Medical Center would be complementary *and* supplementary to Moses Cone.

“Easily accessed by five interstates, three major rail lines and an international airport, Greensboro economic development is gaining momentum,” Atrium said in its application. “Guilford County corporations have announced regional expansions, new development and more jobs that will fuel future growth in 2023 and beyond.”

The application references the future workforces of Boom Supersonic (between 1,750 and 2,400 jobs) at Piedmont Triad International Airport and Toyota North Carolina (2,100 jobs) at the Greensboro-Randolph megasite — people who will not only require residential housing, but also retail services as well.

The application also cited the completion of the Greensboro Urban Loop as being a catalyst for “significant population increase and development. Development of Greensboro Medical Center will help insure a solid foundation for the thousands of additional residents and jobs that will continue to migrate to Greensboro and Guilford County.”

Tony Plath, a retired finance professor at UNC-Charlotte, said Atrium’s plan for the Greensboro community hospital is a natural progression given its acquisition of Wake Forest Baptist.

“How can Atrium maintain and advance its market leadership position without maintaining a major branded industry presence in Greensboro, which is the largest urban market in the Triad area?” Plath asked. “Answer: It can’t. To do otherwise would be like Bank of America having no branches in Greensboro, and simply ceding a growing, profitable and lucrative market to Wells Fargo, which is just preposterous.

“Atrium simply can’t leave the Greensboro market unchallenged for Novant to claim.”