

§ 131A-33. Application for loan evaluation.

(a) Application and Plan. – A public agency, an owner of a health care facility, or a partnership including one or more of those entities may apply for a loan under the Program to benefit an eligible hospital. To apply for a loan, an applicant must develop a hospital stabilization plan and submit the Plan with its application to UNC Health Care during the application period. The Plan shall include, at a minimum, any proposed changes in governance or ownership for the eligible hospital and the eligible hospital's financial projections, including a plan for repayment by the applicant of the requested loan and other sources of funds projected for support of the eligible hospital, such as local or federal funds. An applicant shall submit to UNC Health Care any additional information requested by UNC Health Care to enable it to determine whether to recommend the application to the Local Government Commission for approval.

(b) Evaluation. – UNC Health Care shall evaluate each Plan submitted to determine whether the applicant's Plan demonstrates a financially sustainable health care service model for the community in which the eligible hospital is located. UNC Health Care may also assist an applicant with revisions to its Plan, including negotiating loan terms. Upon conclusion of its review of an application, UNC Health Care shall notify the applicant and the Commission of its recommendation on whether to approve or disapprove a loan application. If more than one applicant applies during an application period, UNC Health Care may assign a priority order for approval of applications when submitting its recommendations to the Commission and reasons for the assigned order of priority.

(c) Disapproval of Application. – If UNC Health Care disapproves a loan application, the applicant may engage a disinterested and qualified third party approved by the Commission to evaluate the applicant's Plan to determine if the applicant demonstrates a financially sustainable health care service model for the community in which the eligible hospital is located. The applicant may seek Commission approval of the loan based on the written evaluation of its Plan by the third party. (2019-240, s. 27.2.)