

EXHIBIT A
(Proposed Intervenor Complaint)

INTRODUCTION AND SUMMARY

1. Since acquiring the nonprofit formerly regulated Mission hospital system in early 2019, Defendants have operated Mission as a for-profit hospital and as an unregulated monopoly. From the outset, Defendants failed adequately to staff or equip the Mission Hospital emergency department in Asheville (the “Mission ER”) to handle the flood of patients the Mission ER receives. As a result, Buncombe County’s Emergency Medical Services (“EMS”) crews frequently are required to wait for excessively long periods before transferring emergency patients to the Mission ER. Moreover, to facilitate transfers of patients so that they can take additional emergency calls, EMS personnel often must provide services to the Mission ER such as (1) performing housekeeping work to ensure the patients they transport are delivered to safe, clean and sanitary rooms; (2) carrying out orderly services to shift around existing ER patients so that ambulance patients can be admitted to a hospital room; and (3) continuing to treat patients in ambulances, in the waiting rooms, and in the hallways of the emergency room while waiting for the Mission ER to receive the patients. Overcrowding exists because the management of HCA refuses to staff and equip the Mission ER adequately. Overcrowding is enhanced by management admission policies which ensure the emergency department will be crowded but which

enhance profits. As the Attorney General’s Complaint aptly states: “HCA has coopted paramedics as employees of its own, but stuck the taxpayers with the bill.” ECF No. 1, Complaint p. 6. The proposed FAC includes similar allegations. ECF No. 39.5, p. 8.

2. Defendants have been unjustly enriched by these practices and the County is seeking restitution and disgorgement in this matter. The transactions and occurrences which support the County’s claim are identical to those portions of the Attorney General’s pending Complaint for breach of the Asset Purchase Agreement relating to the deterioration of emergency room services. They also accord with the proposed FAC, ECF No. 39.5.

3. Since the Attorney General’s complaint was filed, both state and federal regulators have made extensive findings which support both the claims of the Attorney General and Buncombe County. For example, CMS detailed in a report dated December 2023 the decline in services in the ER and the violations of the policies, laws and regulations to which the services are subject. *See* ECF No. 39.1 (Dec. 19, 2023 letter from NC DHHS to HCA).

4. A February 1, 2024 letter from CMS to HCA described how on December 9, 2023, the North Carolina State Survey Agency concluded a complaint survey at Memorial Mission Hospital and Asheville Surgery Center. This survey found that the hospital was not in compliance with the

Medicare Conditions of Participations and that the noncompliance posed an “immediate jeopardy to patients’ health and safety.” The hospital failed to meet Conditions of Participation including relevantly “42 C.F.R. § 482.55” governing “Emergency Services...” These deficiencies were further set out in a lengthy Form CMS-2567, Statement of Deficiencies. ECF Nos. 39.2 (letter), 39.3 (Statement of Deficiencies). CMS issued one or more notices of immediate jeopardy in that regard. *See* further discussion below.

PARTIES, JURISDICTION, AND VENUE

5. The Intervenor Plaintiff, Buncombe County, is a County established by N.C.G.S. § 153A-10 and as such is a public agency and body politic vested with the right to sue and be sued under N.C.G.S. § 153A-11 and the right to establish an EMS service for Buncombe County and surrounding counties. The creation of an EMS service is an essential service to be provided by North Carolina counties to their citizens. Buncombe County has established these services and staffs this department with EMS professionals qualified under N.C.G.S. § 131E-55 to provide emergency medical services. North Carolina statutes recognize that EMS ambulance services may charge for their services and establish liens for payment of their services. The County’s Board of Commissioners has authorized this suit on its behalf.

6. Defendant HCA Management Services, LP, upon information and belief, is a Delaware limited partnership doing business in the State of North Carolina with a principal place of business in Nashville, Tennessee. Its principal office address is One Park Plaza, Nashville, Tennessee, and its North Carolina registered agent, CT Corporation System, is located at 160 Mine Lake Court, Suite 200, Raleigh, North Carolina.

7. Defendant MH Master Holdings, LLLP, upon information and belief, is a Delaware limited liability limited partnership doing business in the State of North Carolina with a principal place of business in Nashville, Tennessee. Its principal office address is One Park Plaza, Nashville TN 37203, it maintains a place of business at 509 Biltmore Avenue, Asheville, North Carolina, and its North Carolina registered agent, CT Corporation System, is located at 160 Mine Lake Court, Suite 200, Raleigh, North Carolina.

8. Defendant MH Mission Hospital, LLLP, upon information and belief, is a Delaware limited liability limited partnership doing business in the State of North Carolina with a principal place of business in Nashville, Tennessee. Its principal office address is One Park Plaza, Nashville TN 37203, it maintains a place of business at 509 Biltmore Avenue, Asheville, North Carolina, and its North Carolina registered agent, CT Corporation

System, is located at 160 Mine Lake Court, Suite 200, Raleigh, North Carolina.

9. Defendant MH Hospital Manager, LLC, upon information and belief, is a Delaware limited liability company, doing business in the State of North Carolina with a principal place of business in Nashville, Tennessee. It maintains a place of business at 509 Biltmore Avenue, Asheville, North Carolina. Its registered agent, c/o CT Corporation System, is located at 160 Mine Lake Court, Suite 200, Raleigh NC.

10. Upon information and belief, Defendants HCA Management Services, LP, MH Master Holdings, LLLP, MH Mission Hospital, LLLP, and MH Hospital Manager, LLC are all subsidiaries of HCA Healthcare, Inc.

11. This Court has personal jurisdiction over Defendants because they have transacted business in the State relevant to this action.

12. The Court has subject matter jurisdiction over this dispute and venue is proper in Buncombe County, North Carolina, under N.C.G.S. § 1-82.

13. The case was properly designated as a mandatory complex business case by notice dated December 14, 2023. ECF No. 1.

14. Except for any differences, if any, that may be herein stated, the Intervenor Plaintiff hereby adopts by reference the allegations of law and fact set forth in the Complaint in this action, and, further shows the Court that

the allegations herein share common issues of fact or law with those found in the Attorney General's proposed FAC filed with its motion to amend that is pending and being contested as of the date of this filing. ECF No. 38.

Plaintiff in addition make the following allegations directly related to itself.

FACTUAL ALLEGATIONS

15. Each County of the State of North Carolina is required, and at all times relevant hereto, has been required, to establish and to maintain, 24 hours a day and seven days a week, a coordinated arrangement of local resources, including emergency medical services (EMS), under the authority of the County government organized to respond to medical emergencies. *See, e.g.*, 10A NCAC 13P .0201.

16. Intervenor Plaintiff has established, and at all times relevant hereto has maintained, at its expense, personnel, equipment, and vehicles (collectively, Buncombe County EMS or "BCEMS") for the purpose of providing cost effective, efficient, and professional emergency medical services to the residents of Buncombe County 24 hours a day, seven days a week.

17. For the past five years, Buncombe County has employed approximately 160 EMS paramedics to staff its EMS services, not counting firefighters who also serve as paramedics. All these employees transport

patients to the Mission ER. This service is paid for by a combination of fees-for-service and taxpayer dollars. BCEMS expects to be paid for the services of its personnel who also expect to be paid wages and benefits for their work. The services of the EMS paramedics have value and those who use their services expect to pay for these services. During some or all of the pertinent times, the County received no additional fees-for-service resulting from excessive wait times at the Mission ER but paid all such costs itself.

18. As alleged in the Attorney General's original complaint in this action, *e.g.*, Complaint ¶¶ 94-97, and in the proposed FAC, since HCA's acquisition of the Mission system, and as a direct result of Defendants' profit-focused choices regarding the staffing and operation of Mission's emergency department, wait times experienced by BCEMS crews at Mission Hospital have become excessively long. In light of the obvious risk to patient safety, what is excessive is also unconscionable. *See* proposed FAC, ECF No. 39.5; *see also* ECF No. 39.6 (Exhibits to Proposed Amended Complaint), including Ex. 5, Affidavit of Hannah Drummond (describing that she was a nurse in the HCA Mission Asheville ER; that staff "[s]tatios exceed appropriate levels every day." *Id.* ¶ 9.). *See also id.* at Exhibit 6, Affidavit of Claire Siegel (she was a nurse who worked in the HCA Mission ER; she was qualified to opine as to matters involving what is the "standard of care for emergency room

settings in a hospital....” The HCA practices did “not meet standards of care.” *Id.* ¶ 21.). *See also* Exhibit 8 (Affidavit of Dr. Joslin, describing deteriorated service conditions at the HCA Mission Asheville ED); Exhibit 9 (Affidavit of Landon Miller, EMS Coordinator for the Fairview Fire Department); Exhibit 12 (Affidavit of Tucker Richards, HCA Mission Asheville ER nurse, saying expectations are often not met at the Asheville ED); Ex. 13 (Affidavit of Mark Klein, vascular nurse); Ex. 15 (Affidavit of William Kehler, Emergency Services Director for McDowell County, describing excessive ambulance wait times), etc.

19. In 2019, the non-profit Mission Hospital system was purchased by HCA, which effected a change in the legal status of the system from nonprofit to profit. At the time of purchase, the Mission Hospital system consisted *inter alia* of Mission Hospital-Asheville and five smaller satellite hospitals: Angel Medical Center in Franklin, N.C. Blue Ridge Regional Hospital in Spruce Pine, Highlands-Cashiers Hospital in Highlands, Mission Hospital McDowell in Marion and Transylvania Regional Hospital, in Brevard. Each of these smaller, satellite hospitals had at the time of purchase an emergency department smaller than the Mission ER. The network also included numerous other infrastructure and facilities

contributing to the potential ability of HCA to abuse its monopoly power it concedes² that it has over the region.

20. The Mission ER has approximately 94 beds.

21. In 2020 Medicare.gov in listing Mission Memorial and Asheville Surgery Center noted Mission ER had more than 60,000 patients annually. Other sources for 2023 reported that Mission ED had over 104,301 patient visits. Regardless of the actual number, the available public data reflects a significant ER volume.

22. Prior to 2019, the process for transfers from other hospitals to Mission Hospital-Asheville was for physicians from the hospitals involved to communicate and to make a joint discretionary decision on whether to transfer a given patient from one hospital to the other. If a transfer to Mission Hospital-Asheville was warranted, the patient would typically be directly admitted to a Mission Hospital-Asheville normal inpatient bed.

23. However, with HCA, transfers now are directed to a “transfer center” where the decision on whether to transfer is made by a nonphysician. Furthermore, no physician can subsequently revoke that decision. The majority of patients transferred to Mission Hospital-Asheville are routed

² <https://www.blueridgenow.com/story/news/2011/10/22/mission-hospital-official-resigns-over-comments/28282503007/>.

through the Mission ER. This procedure adds to Defendants' profits but contributes to excessive patient wait times at the ER.

24. In recent years Defendants have sought to increase the number of patients who initially present at an emergency department at one of the satellite hospitals and then transfer from the satellite hospital to the Mission ER. After taking over the Mission system, Defendants changed the prior policy under which incoming transfers could go directly to a Mission Hospital-Asheville inpatient bed. Rather, under HCA's new policy, the majority of all incoming transfers must enter the Mission ER. This policy of unnecessary ER admission as a prerequisite to inpatient admission is often accompanied by redundant doubling of medically unnecessary charges and overcrowding of the Mission ER. However, the policy enhances the Mission ER as a profit center and keeps patient volumes at the Mission ER high. This policy continues to the present time.

25. Buncombe County maintains ambulance transfer records electronically in a database. From this database, the County can readily calculate for each ambulance trip the time the transport of a patient begins until it ends at sign-off by Mission ER nurse.

26. Based upon the compilation of these documents, BCEMS can calculate waiting periods of each patient and groups of patients over time. It

is feasible to generate relevant data in graphical and spreadsheet form and to compile a compendium of recent graphs for wait times, which the County possesses.

27. For example, and without limitation, BCEMS's average wait time, also known as the "wall time," at the Mission ER during the pertinent times increased from approximately 9:41 minutes in the first quarter of 2020 to 17:41 minutes in the third quarter of 2023. Concurrently, "90th percentile times"—the time in which 90% of EMS-to-ER patient transfers occur—increased from approximately 16 minutes to over 32 minutes. These 90th percentile times far exceeded the 20-minute national standard reported by the National Emergency Medical Services Information System.

28. In 2018, the year before HCA acquired Mission, approximately 96% of ER patient handoffs occurred within 20 minutes. In contrast, by third quarter 2023, the rate of transfers within the 20-minute benchmark had dropped to approximately 72%.

29. These dramatic increases in wait times occurred in the face of numerous demands and complaints made by Intervenor Plaintiff beginning in about 2019 to HCA, and despite the efforts of BCEMS crews themselves (a) to move and to offload ER patients to expedite transfer of care, and (b) to clean and to prepare Mission's vacant ER rooms for emergency care patients,

actions which pull BCEMS supervisors and crews from the field and from being able to respond to EMS system needs.

30. In deliberately relying on BCEMS to treat Mission’s ER patients rather than adequately staffing the Mission ER, Defendants have violated federal law, including the Emergency Medical Treatment & Labor Act (“EMTALA”), 42 U.S.C. § 1395dd, and associated rules and regulations. EMTALA requires the ER to provide a patient with an appropriate and timely medical screening examination and stabilizing treatment. Once an individual presents on hospital property³ with a potential emergency medical condition, the hospital is responsible for care of the patient.

31. The Centers for Medicare and Medicaid Services (“CMS”), which is responsible for enforcement of EMTALA, states in its guidelines:

Hospitals that deliberately delay moving an individual from an EMS stretcher to an emergency department bed do not thereby delay the point in time at which their EMTALA obligation begins. Furthermore, such a practice of “parking” patients arriving via EMS, refusing to release EMS equipment or personnel,

³ EMTALA’s requirements apply to the physical area immediately adjacent to a hospital’s main buildings, other areas and structures that are not strictly contiguous to the main buildings but are located within 250 yards of the main buildings, and the parking lot, sidewalk, and driveway. 42 CFR §§ 413.65(a)(2), 489.24(b). *See* CMS State Operations Manual Appendix V – Interpretive Guidelines – Responsibilities of Medicare Participating Hospitals in Emergency Cases (Rev. 191, 7/19/2019); CMS letter to State Survey Directors, “EMTALA Issues Related to Emergency Transport Services” (Apr. 27, 2007). EMTALA’s protections have been held to extend to private ambulances en route to the hospital’s emergency department. *Arrington v. Wong*, 237 F.3d 1066, 1071-73 (9th Cir. 2001).

jeopardizes patient health and adversely impacts the ability of the EMS personnel to provide emergency response services to the rest of the community. Hospitals that “park” patients may also find themselves in violation of 42 CFR 482.55, the Hospital Condition of Participation for Emergency Services, which requires that hospitals meet the emergency needs of patients in accordance with acceptable standards of practice.

CMS State Operations Manual, Appendix V, § 489.24(a)(1)(i), p 38.

32. CMS admonishes hospitals that parking ER patients “may result in a violation of [EMTALA] and raises serious concerns for patient care and the provision of emergency services in the community. CMS memo dated July 13, 2006, Ref: S&C-06-21, entitled “‘Parking’ of Emergency Medical Service Patients in Hospitals.”

33. Further, pursuant to 42 CFR § 482.55, “[t]here must be adequate medical and nursing personnel qualified in emergency care to meet the written emergency procedures and needs anticipated by the facility.”

34. From about November 13, 2023 through December 9, 2023, the N.C. Department of Health and Human Services (“NCDHHS”) conducted a complaint investigation “to evaluate Mission hospital’s compliance with Medicare Conditions of Participation.” NCDHHS’s 384-page report resulted in a determination that patients’ welfare was in immediate jeopardy. ECF No. 39.3. The report concluded that one of causes of the determination was based upon “Emergency Services” where the hospital “failed to ensure a safe

environment for the delivery of care to emergency department patients by failing to accept patients on arrival to the emergency department resulting in delays or failure to triage assess, and implement orders.” *Id.*, p. 1. The report details numerous case studies and record reviews to document this finding. *See, e.g., id.* at pp. 6 (Patient #6 was not triaged or assessed by hospital nursing staff until 2227 (2 hours 45 minutes after arrival by EMS). There was a delay in accepting the patient and a delay in triage, assessment, and monitoring by nursing staff.”), 7 (“Nursing staff failed to accept the patient upon arrival to the ED, resulting in delayed triage, care, and treatment.”), 11 (“Nursing staff failed to provide care to emergency department (ED) patients by failing to triage upon arrival, assess, monitor, and provide care and treatment as ordered for 11 of 35 ED records reviewed....”).

35. The report details specific patient examples that reflect how the excessive wait times imposed on the County EMS personnel are also imposed above all on the patients and on the members of the public who often without a choice and in physical pain are brought to the HCA Mission Asheville ER for service. The effect of the excessive wait times is to further jeopardize patient service level quality and safety. For this reason as well as others, the

County is justified in expecting HCA to ensure minimal wait times and to strictly comply with its service obligations.

36. Defendants' failures to comply with 42 CFR § 482.55 was among the deficiencies cited in CMS's February 1, 2024 "immediate jeopardy" pronouncement to Defendants.

37. Only after (a) the County complained repeatedly as did others, (b) the N.C. Attorney General filed the above-captioned action, and (c) the NCDHHS recommended Mission Hospital be put in "immediate jeopardy," did Defendants begin to take action to adequately staff its ER rather than deliberately relying on BCEMS to treat Mission's ER patients. To date in 2024, and to be continued by HCA for an unknown period, and only occurring as a result of the above governmental action, Defendants have for the moment caused wait times at the Mission ER to decrease significantly so that the rate of transfers within the 20-minute benchmark is at approximately 93%.

38. Defendants, since HCA's acquisition of the Mission system, have unlawfully shirked their contractual, statutory, regulatory, and common law obligations by parking patients with BCEMS and effectively requiring BCEMS to wait in the hallway or in the parking lot with ER patients.

39. As a result of Defendants' "parking" of Mission ER patients with BCEMS for more than 20 minutes, Buncombe County taxpayers have provided a benefit to HCA of more than \$3 million since the beginning of 2020.

40. By a properly directed demand letter, Intervenor Plaintiff previously made demand on Defendant to reimburse Intervenor Plaintiff for the expenses and damages incurred as a result of its actions. The Intervenor Plaintiff did not receive the courtesy of a reply.

41. On March 14, 2024, CMS sent a new letter to HCA regarding deficiencies previously found in the Emergency Department at Mission which had not been corrected, and demanding a response by March 24, 2024. Doc. 39.4 (March 14, 2024 Letter). CMS's letter was based upon facts found in a February 24, 2024 revisit and required Defendants to take additional actions and responses.

42. The unjust nature of HCA's unjust enrichment herein is highlighted by the fact that as an unregulated and conceded monopoly in the markets for inpatient and outpatient services and the geographic markets of Buncombe County and elsewhere in Western North Carolina, HCA has the ability to raise, or decrease, its quality of service, free of normal competitive pressures found in a free market. While the existence of a monopoly itself

may not be illegal, the willful abuse of a monopoly position is. Here, HCA during the pertinent times had the ability to substantially increase service quality at Mission Asheville, or to decrease it, and willfully chose the latter route, which conduct constitutes unlawful monopoly maintenance and a further basis for a finding of unjust enrichment.

43. In addition to the claims for relief set forth in the Attorney General's Complaint, Intervenor Plaintiff asserts on its own behalf claims for relief against Defendants on the following grounds:

FIRST CAUSE OF ACTION
(Unjust Enrichment)

44. All of the above paragraphs 1 through 43 of the Intervenor Complaint are incorporated herein by reference.

45. During the pertinent times, Buncombe County rendered services to the Defendants under the aforesaid conditions such that the Defendants should be required to pay for them.

46. These services had some value to the Defendants.

47. As described in the factual allegations hereinabove, during the pertinent times, Buncombe County rendered services to the Emergency Department at Mission Hospital and to Defendants by providing housekeeping services, medical services and orderly services to the staff

administering the hospital because the staff was overwhelmed at various times over the past four years.

48. At the time the services were rendered and continuing until today, Buncombe County expected to be paid when it renders a service. The services herein described were not a gift nor were they provided in repayment of or satisfaction of a debt.

49. Buncombe County's expectation of payment is reasonable.

50. The staff and employees of the Defendants requested the help of Buncombe County employees with express knowledge or reason to know that Buncombe County expected to be paid. A person has reason to know when the circumstances existing at the time are such that a reasonable person at the time would have acquired knowledge of it.

51. The Defendants, through their ER staff and others voluntarily accepted the services after having a realistic opportunity to refuse them.

52. Defendants have failed, despite demand, to reimburse Intervenor Plaintiff for and/or to disgorge such property or benefits, resulting in injury to Intervenor Plaintiff in excess of \$25,000.00.

SECOND CAUSE OF ACTION
(Quantum Meruit)

53. All of the above paragraphs 1 through 52 of the Intervenor Complaint are incorporated herein by reference.

54. As a result of Defendants' unlawful and unjust conduct, Plaintiff has rendered services to the Defendants; the services were knowingly and voluntarily accepted; and the services were not given gratuitously.

55. Defendants have failed, despite demand, to reimburse Intervenor Plaintiff for and/or to disgorge such property or benefits, resulting in injury to Intervenor Plaintiff in excess of \$25,000.00.

THIRD CAUSE OF ACTION
D CAUSE OF ACTION
(Restitution)

56. All of the above paragraphs 1 through 55 of the Intervenor Complaint are incorporated herein by reference.

57. The Defendants' actions, as described herein, are unconscionable and unlawful.

58. Defendants have received money which belongs to Intervenor Plaintiff and which in equity and good conscience Defendants ought to pay to Intervenor Plaintiff, along with interest.

FOURTH CAUSE OF ACTION
(Declaratory and Injunctive Relief)

59. All of the above paragraphs 1 through 58 of the Intervenor Complaint are incorporated herein by reference.

60. Pursuant to N.C.G.S. § 1-253, “Courts of record within their respective jurisdictions shall have power to declare rights, status, and other legal relations, whether or not further relief is or could be claimed.”

61. The County has an ongoing business relation with HCA which is unavoidable. Because HCA holds a monopoly on inpatient and outpatient services including emergency department medical services provided to the public in the region, the County, its EMS crews, and the patients it is transporting alike are all obligated to interact with and go to HCA Mission Asheville Hospital’s ER when necessary whether they want to or not.

62. Plaintiff has a reasonable basis in light of all of the above-alleged facts and circumstances to be greatly concerned that Defendants will continue to engage in similar unlawful and abusive conduct as has been alleged above, in the future.

63. As alleged above, due to its monopoly power, Defendants have the ability, but not the right, to degrade, depress and decrease the quality of service at HCA Mission Asheville, free of normal competitive pressures,

which ability they have unlawfully and willfully triggered and abused before, and are likely to do so again, thereby causing unreasonably increased and unsafe wait times and additional unjust enrichment.

64. Plaintiff accordingly respectfully requests that the Court enter and award injunctive and declaratory relief clarifying the respective rights and duties of the parties and enjoining Defendants from engaging in further relevant unlawful practices.

JURY DEMAND

Intervenor Plaintiff respectfully requests a trial by jury of all claims so triable.

PRAYER FOR RELIEF

WHEREFORE, Intervenor Plaintiff hereby prays:

1. that it be permitted to intervene in the above-captioned action;
2. that the Court find in favor of and enter judgment in favor of the Intervenor Plaintiff;
3. that the Court order and award the recovery of Intervenor Plaintiff's losses and damages including both nominal, actual, and to the extent the evidence may support, exemplary damages;
4. that the Court enter an order of disgorgement;
5. that the Court award costs and attorney fees to the extent the law may allow;

6. that the Court award such other relief, including equitable, declaratory and injunctive relief, as may be deemed appropriate by the Court; and
7. for such other relief as the Court finds to be just and proper.

Respectfully submitted this the ____ day of _____, 2024.

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CERTIFICATE OF SERVICE

I hereby certify that in accordance with Business Court Rule 3.9, on the date of filing I served the foregoing document via the Court's electronic filing system, which automatically serves all counsel of record in this matter.
