



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

RESPONSE REQUIRED

March 3, 2017

Elizabeth Kirkman
2709 Water Ridge Parkway, Suite 200
Charlotte, NC 28217-4586

Conditional Approval

Project ID #: F-11268-16
Facility: Carolinas Medical Center (Mercy Campus)
Project Description: Renovate existing space on the Mercy campus related to surgical services and relocate one existing OR from Carolinas Medical Center-Main
County: Mecklenburg
FID #: 923352

Dear Ms. Kirkman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has conditionally approved the above referenced certificate of need application. This decision was made after a review of the applications submitted for this cycle and after consideration of the Certificate of Need Law, N.C. Gen. Stat. §131E-175 et. seq. and regulations promulgated there under, the State Medical Facilities Plan, and other applicable information. Attached to this letter are the required findings made with respect to your application. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Agency shall not issue the certificate of need until all applicable conditions of approval have been met pursuant to N.C. Gen. Stat. §131E-187(a). The conditions are as follows:

1. The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center – Mercy Campus shall materially comply with all representations made in its certificate of need application.
2. The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center – Mercy Campus shall relocate no more than one operating room from Carolinas Medical Center -

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE: 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

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Main to Carolinas Medical Center – Mercy Campus for a total of no more than 16 licensed shared operating rooms at Carolinas Medical Center – Mercy Campus.

3. Upon completion of this project and Project I.D. #F-11106-15, The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center - Main shall have a total of no more than 44 licensed operating rooms, including 5 open heart surgery, 4 dedicated C-Section, 1 dedicated inpatient surgery, 9 dedicated ambulatory surgery, and 25 shared operating rooms.
4. The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center – Mercy Campus shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application and which would otherwise require a certificate of need.
5. An Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes shall be developed and implemented. The plan must be consistent with the applicant's representations in the written statement as described in paragraph one of Policy GEN-4.
6. The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center – Mercy Campus shall acknowledge acceptance of and agree to comply with all conditions stated herein in writing to the Healthcare Planning and Certificate of Need Section in writing prior to issuance of the certificate of need.

Response to the above conditions should be submitted to the Agency no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency making a determination not to issue a certificate of need for the project referenced above.

The conditional approval is valid only for a capital expenditure of **\$18,000,000**. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by N.C. Gen. Stat. §131E-176(16)(e).

The applicant should be aware that according to the Certificate of Need law any affected person shall have thirty (30) days after the date of decision to file a petition for a contested case on this approval. Further, if you are aggrieved by the conditions of the decision you may file a petition for a contested case hearing in accordance with N.C. Gen. Stat. §150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 within thirty (30) days of the date of this decision. [Note: Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to OAH Clerk's Office (919-431-3000).]

N.C. Gen. Stat. §150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing,

you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Lisa G. Corbett
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 Mail Service Center
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Agency.

The certificate of need will not be issued before the completion of this 30 day period ending **April 3, 2017**. If a contested case request is received within the thirty (30) day period, the certificate will not be issued until the appeal is resolved (10A NCAC 14C .0208).

The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the Agency because the review period was extended. The timetable for this project is as follows:

Completion of Final Drawings and Specifications _____	October 2, 2017
Contract Award _____	January 1, 2018
25% Completion of Construction _____	April 15, 2018
50% Completion of Construction _____	July 1, 2018
75% Completion of Construction _____	October 1, 2018
Completion of Construction _____	December 1, 2018
Occupancy/Offering of Services _____	January 1, 2019

If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the Certificate of Need is issued. Please contact this office if any clarification of this decision is required.

Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,

Gloria C. Hale
Project Analyst

Lisa Pittman
Team Leader, Certificate of Need

Attachment

cc: Acute & Home Care Licensure & Certification Section, DHSR
Construction Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing notice of **conditional approval** on the following person by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelope addressed as follows:

Elizabeth Kirkman
2709 Water Ridge Parkway, Suite 200
Charlotte, NC 28217-4586
Project ID #: F-11268-16
FID #: 923352

This the 3rd day of March, 2017.

Gloria C. Hale
Project Analyst, Certificate of Need