



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor  
MANDY COHEN, MD, MPH • Secretary  
MARK PAYNE • Director, Division of Health Service Regulation

**RESPONSE REQUIRED**

October 26, 2018

Marisa Barone  
Medical Center Boulevard  
Winston-Salem, NC 27127

**Conditional Approval**

Project ID #: G-11519-18  
Facility: North Carolina Baptist Hospital  
Project Description: Add 4 ORs, pursuant to the 2018 SMFP need determination, for a total of 51 ORs upon completion of this project and Project ID #G-8460-10 (add 7 dedicated outpatient ORs pursuant to Policy AC-3) Approved for 2 ORs for a total of 49 ORs  
County: Forsyth  
FID #: 943495

Dear Ms. Barone:

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. Written notice of all findings and conclusions upon which the decision was based will be provided to the applicants within five business days after the date of the decision in accordance with N.C. Gen. Stat. §131E-186. 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 that can be satisfied before issuance of the certificate of need have been met pursuant to N.C. Gen. Stat. §131E-187(a). The conditions are as follows:

- 1. North Carolina Baptist Hospital shall materially comply with all representations made in the certificate of need application.**
- 2. North Carolina Baptist Hospital shall develop no more than two additional operating rooms for a total of 49 operating rooms upon completion of this project and Project ID #G-8460-10 (add seven dedicated outpatient ORs pursuant to Policy AC-3).**

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603  
MAILING ADDRESS: 2701 Mail Service Center, Raleigh, NC 27699-2701  
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3750 • FAX: 919-733-2757

3. Upon completion of the project, North Carolina Baptist Hospital shall be licensed for no more than 49 operating rooms: 34 shared ORs, four inpatient ORs and seven dedicated outpatient ORs pursuant to Policy AC-3, approved in Project ID #G-8460-10.
4. North Carolina Baptist Hospital shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section VIII of the application and that would otherwise require a certificate of need.
5. For the first three years of operation following completion of the project, North Carolina Baptist Hospital shall not increase charges more than 5% of the charges projected in Section X and Section XIII of the application without first obtaining a determination from the Healthcare Planning and Certificate of Need Section that the proposed increase is in material compliance with the representations in the certificate of need application.
6. North Carolina Baptist Hospital shall develop and implement 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.
7. No later than three months after the last day of each of the first three full years of operation following initiation of the services authorized by this certificate of need, North Carolina Baptist Hospital shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:
  - a. Payor mix for the services authorized in this certificate of need.
  - b. Utilization of the services authorized in this certificate of need.
  - c. Revenues and operating costs for the services authorized in this certificate of need.
  - d. Average gross revenue per unit of service.
  - e. Average net revenue per unit of service.
  - f. Average operating cost per unit of service.
8. North Carolina Baptist Hospital shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency 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 CON Section 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 **\$9,982,500**. 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, P.O. Drawer 27447, Raleigh, North Carolina 27611-7447 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 MSC  
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 November 26, 2018. 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:

1. Drawings Completed \_\_\_\_\_ April 1, 2023
2. Construction/Renovation Contract(s) Executed \_\_\_\_\_ June 1, 2023
3. 25% of Construction/Renovation Completed  
(25% of the cost is in place) \_\_\_\_\_ September 1, 2023
4. 50% of Construction/Renovation Completed \_\_\_\_\_ December 1, 2023
5. 75% of Construction/Renovation Completed \_\_\_\_\_ March 1, 2024
6. Construction/Renovation Completed \_\_\_\_\_ June 1, 2024
7. Equipment Ordered \_\_\_\_\_ January 1, 2024
8. Equipment Installed \_\_\_\_\_ May 1, 2024
9. Equipment Operational \_\_\_\_\_ June 15, 2024
10. Building/Space Occupied \_\_\_\_\_ June 15, 2024
11. Licensure Obtained \_\_\_\_\_ June 30, 2024

12. Services Offered \_\_\_\_\_ July 1, 2024
13. Medicare and/or Medicaid Certification Obtained \_\_\_\_\_ June 30, 2024
14. Facility or Service Accredited \_\_\_\_\_ June 30, 2024
15. Final Annual Report Due \_\_\_\_\_ September 30, 2027

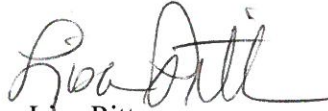
If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the certificate of need is issued. Please contact us if any clarification of this decision is required.

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

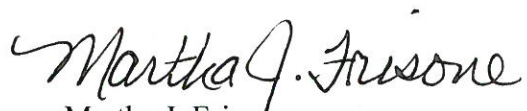
Sincerely,



Celia C. Inman  
Project Analyst



Lisa Pittman  
Assistant Chief



Martha J. Frisone  
Chief, Certificate of Need

Attachment

cc: Acute & Home Care Licensure & Certification Section, DHSR  
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR  
Construction Section, DHSR

**CERTIFICATE OF SERVICE**

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

Marisa Barone  
Medical Center Boulevard  
Winston-Salem, NC 27127

Will Holding  
9131 Anson Way  
Suite 304  
Raleigh, NC 27615

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

Andrea Gymer  
2085 Frontis Plaza Boulevard  
Winston-Salem, NC 27103

James Roskelly  
1200 N Elm Street  
Greensboro, NC 27401

This the 26<sup>th</sup> day of October, 2018.



Celia C. Inman  
Project Analyst, Certificate of Need

