

North Carolina Department of Health and Human Services Division of Health Service Regulation Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704 http://www.ncdhhs.gov/dhsr/

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December 14, 2012

Richard A. Brvenik, FACHE Chief Executive Officer Carteret General Hospital Post Office Drawer 1619 Morehead City, North Carolina 28557-1619

Exempt from Review

Facility:

Carteret General Hospital, Inc. Energy Plant Improvements

Project Description:

Carteret County

County: FID #:

923076

Dear Mr. Brvenik:

In response to your letter of November 30, 2012, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(4). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Construction Section of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Jane Rhoe-Jones
Project Analyst

Craig R. Smith, Chief Certificate of Need Section

cc: Construction Section, DHSR



3500 Arendell Street • P.O. Drawer 1619 • Morehead City, NC 28557-1619 www.carteretgeneral.com • Telephone (252) 808-6000 • FAX (252) 808-6985

Patrick "Pat" Joyce Chairman Richard A. Brvenik, FACHE President



November 30, 2012

Mr. Craig Smith, Chief Certificate of Need Section Ms. Jane Rhoe Jones Project Analyst Department of Facility Services 2704 Mail Service Center Raleigh, NC 27699-2704

RE: Exempt from Review / Carteret General Hospital, Inc / Energy Plant Improvements / Carteret County

Dear Mr. Smith and Ms. Rhoe-Jones:

Carteret County General Hospital, Inc. (CGH) intends to replace its central energy plant including the required chillers, boilers, pumps, piping and all associated hydronic specialties, new electrical service with switch gear, emergency generators, and electrical distribution equipment for the main hospital building and requests a determination that such a project is exempt from certificate of need review pursuant to NCGS 131E-184 (a)(4) as heating and cooling systems and basic plant mechanical improvements. The systems are reaching the end of their useful lives and can serve the campus more efficiently if they are consolidated in a single energy plant. This will provide the hospital with needed redundancies and will also move these necessary functional components away from the land areas that serve patients and the general public. This project is independent of other facility projects that require certificate of need applications. Any capacity required to support facility expansions that would cost more than \$2.0 million will be submitted as separate projects. This request addresses only the existing hospital campus.

Scope of Proposed Project

The project involves the engineering, design, and installation of chillers, boilers, pumps, piping and all associated hydronic specialties, new electrical service with switch gear, emergency generators, and electrical distribution equipment as well as the construction of a building envelope that would house this equipment and immediately adjoin the main hospital building located at 3500 Arendell Street, Morehead City, North Carolina 28577. The project will cost in excess of \$2,000,000, but is not a new institutional health service as defined in NCGS 131E-176 (16).

Exemption from Review

The proposed project is not an institutional health service as defined by NCGS 131E-176(16) and is exempt from certificate of need review pursuant to NCGS 131E-184 (a)(4).

Determination Requested

Carteret General Hospital, Inc requests that the Division of Health Service Regulation to make a determination that the project as proposed herein does not constitute a new institutional health

service as defined by NCGS 131E-176(16) and is exempt from certificate of need review pursuant to NCGS 131E-184 (a)(4). Please contact Donna Cheek at 252/808-6465 or me if any additional information is needed concerning this request.

Thank you for taking time with this request. CGH appreciates your timely response.

Sincerely,

Richard A. Brvenik

Chief Executive Officer