



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/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor  
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief  
Phone: (919) 855-3873  
Fax: (919) 733-8139

March 12, 2012

Lynn S. Pitman  
Associate Vice President,  
Strategic and Business Planning  
Wake Forest Baptist Health  
Medical Center Boulevard  
Winston-Salem, NC 27157

RE: No Review / Lexington Memorial Hospital / Renovation and relocation of rehabilitation space /  
Davidson County


Dear Ms. Pitman:


The Certificate of Need (CON) Section received your letter of January 31, 2012 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

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.

In addition, you should contact the Construction Section to determine if they have any requirements for development of the proposed project. Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D.# (FID) if the facility is licensed.

Sincerely,

  
Gebrette Miles,  
Project Analyst

  
Craig R. Smith, Chief  
Certificate of Need Section

cc: Construction Section, DHSR



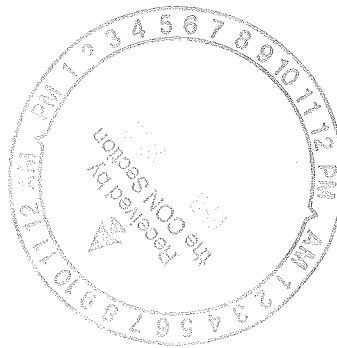


*Miles*

Strategic and Business Planning

Medical Center Boulevard  
Winston-Salem, NC 27157  
p 336.716.1046  
f 336.716.2879  
lpitman@wakehealth.edu  
www.WakeHealth.edu

January 31, 2012



Lynn S. Pitman  
Associate Vice President

Craig R. Smith, Chief  
Martha J. Frisone, Assistant Chief  
Gebrette Miles, Project Analyst  
Certificate of Need Section  
Division of Health Service Regulation  
North Carolina Department of Health and Human Resources  
2704 Mail Service Center  
Raleigh, North Carolina 27699-2704

Re: Lexington Memorial Hospital Rehabilitation and Administrative Relocations

Dear Mr. Smith, Ms. Frisone and Ms. Miles,

The purpose of this letter is to notify the Division of Health Service Regulation that Lexington Memorial Hospital (LMH) plans to consolidate its rehabilitation space through the relocation of existing and hospital administration space. LMH requests that the Division of Health Services Regulation issue a letter confirming that this project does not require certificate of need review as it does not meet the criteria set forth in N.C. General Statute § 131E-176(9)(a) or 131E-176(16)(b). This is a proposal to consolidate and increase the size of the existing rehabilitation department to improve efficiency and patient throughput. The square footage to be renovated is 16,175 square feet (5,843 for Administration and 10,332 for Rehab) and the total project cost is estimated to be \$1,995,331, which includes \$1,650,999 in construction costs.

The Rehabilitation Department at Lexington Memorial Hospital currently conducts evaluation and treatment procedures for physical therapy, occupational therapy, and speech therapy of both adults and pediatric patients on an inpatient and outpatient basis. While inpatient treatment is conducted in the patient room; documentation, treatment planning, etc. for these patients are done in the department. There is currently insufficient space in the Rehab Department for efficient patient flow – particularly at check-in / checkout area and the waiting room, where patients often must stand while waiting for their appointments. Additionally, the rehab staff is limited in treatment volume and services due to space limitations, most notably insufficient space for exercise equipment, too few treatment bays, lack of space for wheelchairs and limited handicap accessibility. Oftentimes, procedures such as gait training are conducted in the public corridor of the hospital, located outside the department as no space is available inside.

In addition to providing adequate space for the Rehabilitation program at LMH, a secondary goal of the relocation project is to bring all therapists together into one area for better collaboration – currently the Peds and Speech components are located on one of the nursing units, while OT is located in a former classrooms space and PT services are run from the Rehab Dept. The plan is to relocate all Rehab Services out of the main hospital and into the existing Administrative Services space, which is attached to the hospital by an enclosed walkway connector. In order to accomplish this, several phased renovations will be required as follows:

Phase 1: Temporarily relocate Occupational Therapy to 3 inpatient rooms.

Phase 2: Relocate the Board Room from Administrative Services to the current OT space.

Phase 3: Renovate the abandoned Medical Records file area for Medical Records offices.

Phase 4: Renovate the former Medical Records office area for a new Executive Officer suite.

Phase 5: Renovate the abandoned Executive Office and Board Room areas for the new Rehabilitation Department. Existing Rehab Department will be abandoned in place (adjacent to existing Emergency Department).

Please review the following Exhibits:

1. Proposed Capital Costs/Certified Cost Estimates
2. Schematic Drawing

Based on the information contained in this letter, LMH respectfully requests that the Division of Health Service Regulation issue a letter confirming that the relocation of Administrative Space and renovation to create consolidated Rehabilitation space is not reviewable as it does not meet the criteria set forth in the N.C. General Statute § 131E-176(9)(a) or 131E-176(16)(b) as the project is estimated to cost less than \$2 million. No new or existing facilities will be purchased or leased as a result of this project and no on-going CON applications will be effected by this project. If you have any questions or need additional information, please do not hesitate to call me at (336) 716-1046. On behalf of LMH, I appreciate your attention to this important matter.

Sincerely,



Lynn S. Pitman  
Associate Vice President,  
Strategic and Business Planning

Attachment

**PROJECTED CAPITAL COSTS: Lexington Medical Center (LMC): Administration & Physical Therapy**

P  
Proponent:

**A. Site Costs**

(1) Full purchase price of land		\$	NA	
Acres _____ Price per Acre	\$		NA	
(2) Closing costs		\$	NA	
(3) Site Inspection and Survey		\$	NA	
(4) Legal fees and subsoil investigation		\$	NA	
(5) Site Preparation Costs				
Soil Borings	\$		NA	
Clearing-Earthwork	\$		NA	
Fine Grade For Slab	\$		NA	
Roads-Paving	\$		67,617	
Concrete Sidewalks	\$		7,098	
Water and Sewer	\$		NA	
Footing Excavation	\$		NA	
Footing Backfill	\$		NA	
Termite Treatment	\$		NA	
Other (Specify)	\$		NA	
Sub-Total Site Preparation Costs		\$	74,715	
(6) Other (Specify)		\$	NA	
(7) Sub-Total Site Costs		\$	74,715	

**B. Construction Contract**

(8) Cost of Materials				
General Requirements	\$		180,617	
Concrete/Masonry	\$		13,332	
Doors & Windows/Finishes	\$		279,064	
Thermal & Moisture Protection	\$		8,315	
Equipment/Specialty Items	\$		35,812	
Mechanical/Electrical	\$		795,600	
Other (Relocation of Admin. Offices)	\$		185,000	
Sub-Total Cost of Materials		\$	1,497,740	
(9) Cost of Labor (included in material costs)		\$	NA	
(10) Other (Specify) - Contingency, insurance, bonds, etc.		\$	153,259	
(11) Sub-Total Construction Contract		\$	1,650,999	

**C. Miscellaneous Project Costs**

(12) Building Purchase		\$	0	
(13) Fixed Equipment Purchase/Lease		\$	0	
(14) Movable Equipment Purchase/Lease		\$	0	
(15) Furniture		\$	4,829	
(16) Landscaping		\$	12,875	
(17) Consultant Fees				
Architect and Engineering Fees	\$		130,000	
Legal Fees	\$		5,000	
Market Analysis	\$		0	
Other (CON/Other Agency Approvals)	\$		0	
Sub-Total Consultant Fees		\$	135,000	
(18) Financing Costs (e.g. Bond, Loan, etc.)		\$	0	
(19) Interest During Construction		\$	0	
(20) Other (IS/Telecom, Fire Alarm, Nurse Call, Signage)		\$	116,913	
(21) Sub-Total Miscellaneous		\$	269,617	

**D. Total Capital Cost of Project**

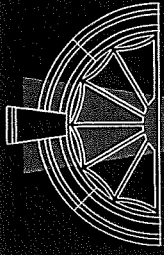
\$ 1,995,331

I certify that, to the best of my knowledge, the above construction related costs of the proposed project named above are complete and correct.

Keith A. Fleming NC License #9134  
(Signature of Licensed Architect or Engineer)

I assure that, to the best of my knowledge, the above capital costs for the proposed project are complete and correct and that it is my intent to carry out the proposed project as described.

(Proponent - Signature of Officer) Stephanie Sparks



**WILKERSON  
ASSOCIATES  
ARCHITECTS**

Architects for the  
Healthcare Profession

www.wilkinsonarch.com

# LEXINGTON MEMORIAL HOSPITAL

Proposed ED Renovation  
& Rehab/Admin.  
Relocation

January 27, 2012

Drawing Not To Scale

## LEGEND

Rehab/Admin Relocation → 