



North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Drexdal Pratt  
Division Director

October 11, 2013

Pamela A. Scott  
Poyner Spruill, LLP  
Post Office Box 1801  
Raleigh, North Carolina 27602-1801

**Exempt from Review – Physician Office**

Provider: NC Med Holdings, LLC  
Project Description: Develop a physician office building in Greenville  
County: Pitt

Dear Ms. Scott:

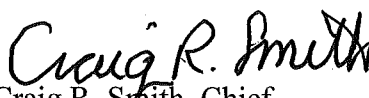
In response to your letters of September 26, 2013 and July 25, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(9). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Construction and the Acute and Home Care Licensure and Certification Sections of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed physician office.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. 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: Chief, Construction Section, DHHS  
Chief, Acute and Home Care Licensure and Certification Section, DHHS



**Certificate of Need Section**

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

An Equal Opportunity/ Affirmative Action Employer



*Jane*

July 25, 2013

Received by  
the CON Section  
JUL 25 2013

Pamela A. Scott  
Partner  
D: 919.783.2954  
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pscott@poynerspruill.com

**Via Hand Delivery**

Craig R. Smith  
Chief  
CON Section  
809 Ruggles Drive  
Raleigh, NC 27603

Martha Frisone  
Assistant Chief  
CON Section  
809 Ruggles Drive  
Raleigh, NC 27603

**RE: Notice of Development of Exempt Physician Office Building in Greenville, Pitt County**

Dear Mr. Smith and Ms. Frisone:

I am writing on behalf of our firm's client, NC Med Holdings, LLC (NC Med), to provide the Certificate of Need Section notice that, pursuant to N.C. Gen. Stat. § 131E-184(a)(9), NC Med plans to develop a physician office building at 990 Johns Hopkins Drive, Greenville, NC 27834. NC Med recently acquired a 1.19 acre parcel including an existing two-story office building at this location. The office building is valued at approximately \$678,000. NC Med plans to renovate the existing building to develop a physician office building. No new institutional health service, as defined in N.C. Gen. Stat. 131E-176(16)(b), will be offered or developed in the physician office building without first obtaining appropriate certificate of need approval.

The planned renovations of the existing office building include: general upgrades and improvements to bring the building up to modern building codes and standards, including installation of an elevator; upgrading electrical service as required for the elevator circuitry; installation of security and automation systems; modifying the interior floor plan to improve patient privacy and flow on the first floor; and conversion of 1,050 square feet of unfinished garage space into finished office space. The total cost of the planned renovations is estimated to be approximately \$600,000.

The renovated physician office building will include approximately 9,500 square feet total. NC Med plans to lease all of the space within the building to a radiology physician practice, Carolina Breast Imaging, LLC (Carolina Breast Imaging) which will use the first floor of the building (approximately 5,543 square feet) for operation of that medical practice including professional, administrative, imaging and ancillary services. At this time, there are no specific plans for use of the second floor of the building.

The Certificate of Need Law provides that upon receiving prior written notice, the CON Section shall exempt from certificate of need review a proposal "to develop or acquire a physician office building regardless of cost, unless a new institutional health service other than defined in G.S. 131E-176(16)b is offered or developed in the building." N.C. Gen. Stat. § 131E-184(a)(9). This provision exempts from CON review any activities or costs associated with the development or acquisition of a physician office building, regardless of cost, so long as no new institutional health service (other than a capital expenditure exceeding \$2,000,000) is to be offered or developed in the building.

Craig R. Smith  
Martha Frisone  
July 25, 2013  
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Poyner Spruill<sup>LLP</sup>

The information presented above establishes that NC Med's planned development of a physician office building at 990 Johns Hopkins Drive, Greenville, NC 27834 should be exempt from CON review under N.C. Gen. Stat. § 131E-184(a)(9). We request your confirmation of this exemption and thank you in advance for your prompt consideration of this request.

Please do not hesitate to contact me if you need any additional information or have any questions regarding this matter.

With best regards, I am

Very truly yours,

A handwritten signature in black ink, appearing to read "Pamela Scott", with a stylized flourish at the end.

**Pamela A. Scott**