



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

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Drexdal Pratt
Division Director

July 15, 2014

Karl F. Stein, Executive Director
Raleigh Orthopaedic
3001 Edwards Mill Road, #200
Raleigh NC 27612

No Review

Facility: Orthopaedic Surgery Center of Raleigh
Project Description: Renovations to accommodate minor procedure rooms and storage space
County: Wake
FID #: 080609

Dear Mr. Stein:

The Certificate of Need Section (CON Section) received your correspondence of June 23, 2014 and July 14, 2014 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.

Moreover, you need to contact the Construction and 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 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.



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

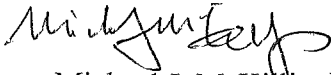
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Mr. Stein
July 15, 2014
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Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,



Michael J. McKinnip, Project Analyst



Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Medical Facilities Planning Branch, DHR
Construction Section, DHR (Not Hospice Home Care/ Home Health)
Acute and Home Care Licensure and Certification Section, DHR

Mckillip, Mike

From: Karl Stein <KStein@raleighortho.com>
Sent: Monday, July 14, 2014 12:02 PM
To: Mckillip, Mike
Cc: 'DAVE FRENCH'
Subject: Orthopaedic Surgery Center of Raleigh...clarification of construction costs

Mike,

I'm sorry for the delay in responding to your voicemail of last Thursday. My assistant was off on Friday and I couldn't find the letter to verify the answer to your question.

In reviewing the numbers this morning the correct number that should be used is \$818,799.

Thank you for bring this to our attention. Please let me know if you have any other questions.

Karl

Karl F. Stein
Executive Director
Raleigh Orthopaedic Clinic
919-863-6801

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Received by
the CON Section
JUN 25 2014

June 23, 2014

Ms Martha Frisone, Interim Director
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Request for No Review Determination, Orthopaedic Surgery Center of Raleigh FID# 80609

Dear Ms Frisone:

Orthopaedic Surgery Center of Raleigh is requesting a No Review Determination by the Certificate of Need Section to allow for renovations of space in the existing licensed ambulatory surgical facility to add minor procedure rooms and storage space. The renovations of the facility will not increase the number of licensed operating rooms in the facility. No GI endoscopy procedure rooms are proposed to be added. The facility will continue to provide the same scope of services as described in the CON project applications ID# J8170-03 and ID# J8496-10.

The project involves no equipment or health services that would be subject to Certificate of Need review as a new institutional health service as defined in § 131E-176 (16). Please review the attached construction cost estimate with a total capital cost for the renovations projected to be \$515,796, which is far less than the § 131E-176 (16)b threshold amount of \$2,000,000.

Orthopaedic Surgery Center of Raleigh requests an expedited review and approval of this request. The facility has achieved high utilization during recent months and the proposed renovations will improve workflow and scheduling. If you have any questions, please contact me at 919-863-6801.

Sincerely,



Karl F. Stein
Executive Director

Phone 919.781.5600 • www.raleighortho.com

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Raleigh Office
3001 Edwards Mill Road #200
Raleigh, NC 27612

Cary Office
222 Asheville Avenue #20
Cary, NC 27518

Garner Office
1325 Timber Drive East
Garner, NC 27529

North Raleigh Office
10880 Durant Road #300
Raleigh, NC 27614

PROJECTED CAPITAL COST

Project Name: Raleigh Orthopaedic Surgery Center Procedure & Storage Room Renovation

Proponent: _____

A. Site Costs			
(1)	Full purchase price of land		\$ _____
	Acres _____ Price per Acre	\$ _____	
(2)	Closing costs		\$ _____
(3)	Site Inspection and Survey		\$ _____
(4)	Legal fees and subsoil investigation.		\$ _____
(5)	Site Preparation Costs		
	Soil Borings	\$ _____	
	Clearing-Earthwork	\$ _____	
	Fine Grade For Slab	\$ _____	
	Roads-Paving	\$ _____	
	Concrete Sidewalks	\$ _____	
	Water and Sewer	\$ _____	
	Footing Excavation	\$ _____	
	Footing Backfill	\$ _____	
	Termite Treatment	\$ _____	
	Other (Specify) _____	\$ _____	
	Sub-Total Site Preparation Costs		\$ _____
(6)	Other (Specify) _____		\$ _____
(7)	Sub-Total Site Costs		\$ 0
B. Construction Contract			
(8)	Cost of Materials		
	General Requirements	\$ 59,665	
	Concrete/Masonry	\$ included in trades	
	Doors & Windows/Finishes	\$ 61,184	
	Thermal & Moisture Protection	\$ 600	
	Equipment/Specialty Items	\$ 8,067	
	Mechanical/Electrical	\$ 124,998	
	Other (Specify) _____	\$ 0	
	Sub-Total Cost of Materials		\$254,514
(9)	Cost of Labor		\$ 139,113
(10)	Other (Specify) _____		\$ _____
(11)	Sub-Total Construction Contract		\$393,627
C. Miscellaneous Project Costs			
(12)	Building Purchase		\$ _____
(13)	Fixed Equipment Purchase/Lease		\$ 91,177
(14)	Movable Equipment Purchase/Lease		\$ 250,895
(15)	Furniture		\$ _____
(16)	Landscaping		\$ _____
(17)	Consultant Fees		
	Architect and Engineering Fees	\$ 21,900	
	Legal Fees	\$ 1,200	
	Market Analysis	\$ _____	
	Other (Specify) _____	\$ _____	
	Sub-Total Consultant Fees		\$ 23,100
(18)	Financing Costs (e.g. Bond, Loan, etc.)		\$ _____
(19)	Interest During Construction		\$ 60,000
(20)	Other (Specify) _____		\$ _____
(21)	Sub-Total Miscellaneous		\$ 425,172
D.	Total Capital Cost of Project		\$ 818,799

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

Douglas Kuhns, AIA Date Certified: 6/20/14
 (Signature of Licensed Architect or Engineer)

I assure that, to the best of my knowledge, the above 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)

EXECUTIVE DIRECTOR
(Title of Officer)

Date Signed: 6/20/2014