



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

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Division Director

March 5, 2014

Elizabeth Kirkman
Assistant Vice President, CHS Management Company
2709 Water Ridge Parkway, Suite 200
Charlotte, NC 28217

Exempt from Review

Business: The Charlotte Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System (CHS)
Project Description: Purchase a new unified Revenue Cycle solution system (the Epic system) across the acute and ambulatory settings
County: Mecklenburg

Dear Ms. Kirkman:

In response to your letter of January 23, 2014, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(3). Therefore, you may proceed to develop the above referenced project without a certificate of need.

However, you need to contact the Construction and Acute and Home Care Licensure and Certification 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,
Fatimah Wilson
Fatimah Wilson
Project Analyst

Martha J. Frisone
Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Certificate of Need Section



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Carolinan HealthCare System

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Edward J. Brown III
Chairman

Michael C. Tarwater, FACHE
Chief Executive Officer

Joseph G. Piemont
President & COO

January 23, 2014

Ms. Martha Frisone, Interim Chief
Certificate of Need Section
North Carolina Department of Health and Human Services
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Exemption Request for The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System (CHS) to implement a unified Revenue Cycle solution across the acute and ambulatory settings

Dear Ms. Frisone:

This letter serves as notification of The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System's intent to purchase a new unified Revenue Cycle solution (the Epic system). The Epic system will improve the connectivity of the patient access, patient accounting and follow-up functions across the acute and ambulatory settings. Today, there are more than forty systems required to support these functions. There are several factors driving the decision to unify these functions:

- Our technology partner's (McKesson) decision to discontinue existing system used for the acute care setting
- Age of the current systems in place (15+ years)
- New payment models and complexity of regulations
- Patient engagement challenges in accessing CHS through multiple systems
- Opportunities for greater efficiency
- Complexity of current multiple "bolt-on" systems and processes
- Industry trends and vendor roadmaps moving to integrated solutions across care settings

The Epic system will replace the current GE Centricity Business (IDX) and McKesson STAR systems, along with several dozen smaller add-on systems. The proposed project includes replacing the current revenue cycle systems, listed below, across our hospital

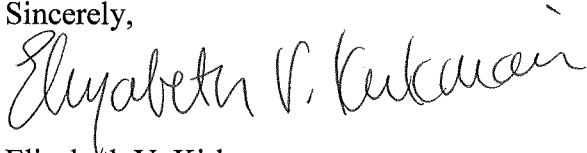
and ambulatory care settings. Please see Attachment A for a list of facilities and Attachment B for a list of the functions impacted.

Pursuant to N.C.G.S. 131 E-184 (a)(3), this project is exempt from certificate of need review.

The new hardware and software will be installed over the next four years and the estimated capital cost is \$92.6 million.

Based upon the project as described above and pursuant to N.C.G.S. 131E-184(a)(3), this letter serves as our notification of intent to proceed with this project. We would appreciate your written concurrence that this project is exempt from certificate of need review. If you have any questions or require further information regarding this project, please contact me at 704-446-8475.

Sincerely,



Elizabeth V. Kirkman
Assistant Vice President
CHS Management Company

cc: F. Del Murphy, Jr.

Attachment A

The facilities included in the scope are as follows:

- Anson Community Hospital
- Carolinas Medical Center
- Carolinas Medical Center-Lincoln
- Carolinas Medical Center-Mercy
- Carolinas Medical Center-Pineville
- Carolinas Medical Center-NorthEast
- Carolinas Medical Center-Randolph Behavioral Health
- Carolinas Medical Center-Davidson Behavioral Health
- Carolinas Medical Center-Union
- Carolinas Medical Center-University
- Carolinas Rehabilitation
- Carolinas Rehabilitation-Mount Holly
- Carolinas Rehabilitation-NorthEast
- Cleveland Regional Medical Center
- Kings Mountain Hospital
- Stanly Regional Medical Center (not included in the current cost but will be added)
- Carolinas Medical Center-Morganton
- Carolinas Medical Center-Valdese
- Carolinas Physician Network
- Faculty Physician Network
- NorthEast Physician Network
- Cleveland Health Ventures
- Union Physician Network
- Anson Physician Network
- Columbus Regional Network
- New Hanover Physician Network
- St. Lukes Physician Network
- Scotland Physician Network
- Wilkes Physician Network
- Blue Ridge Medical Group

Attachment B

The Epic system will include the following functions:

- Pre-registration
- Registration
- Scheduling
- Billing
- Collections
- Reporting
- Contract management
- Claims management
- Online Eligibility/Claims Status
- Patient liability estimation
- Workflow management
- Document management
- Capacity management