



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

April 20, 2018

Maureen Demarest Murray  
300 N. Greene Street, Suite 1400  
Greensboro, NC 27401

**Exempt from Review – Physician Office**

**Record #:** 2568  
**Business Name:** Blue Ridge Healthcare Hospitals, Inc.  
**Business #:** 2125  
**Project Description:** Develop a medical office building  
**County:** Burke

Dear Ms. Murray:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of April 13, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §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 Agency's Construction and the Acute and Home Care Licensure and Certification Sections 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 the Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Handwritten signature of Julie M. Faenza in black ink.

Julie M. Faenza  
Project Analyst

Handwritten signature of Martha J. Frisone in black ink.

Martha J. Frisone  
Chief, Healthcare Planning and  
Certificate of Need Section

cc: Construction Section, DHSR  
Acute and Home Care Licensure and Certification Section, DHSR  
Amy Craddock, Assistant Chief, Healthcare Planning, DHSR

**HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION**

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

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



April 13, 2018

Martha Frisone, Chief  
Lisa Pittman, Assistant Chief  
Healthcare Planning and Certificate of Need Section  
Division of Health Service Regulation  
NC Department of Health and Human Services  
2704 Mail Service Center  
Raleigh, NC 27699-2704



*Via E-Mail*

Re: Carolinas Healthcare System Blue Ridge Exempt Medical Office Building

Dear Ms. Frisone and Ms. Pittman:

We represent Blue Ridge Healthcare Hospitals, Inc. d/b/a Carolinas Healthcare System Blue Ridge ("Blue Ridge"). This letter provides prior written notice that Blue Ridge plans to develop an exempt new medical office building to be located on its Valdese Campus at 720 Malcolm Boulevard, Valdese, NC 28690 in Burke County.

Blue Ridge anticipates that the new medical office building space will be approximately 29,000 square feet on the second floor of a two-story building that will be available for tenant use, such as physician offices, and non-hospital purposes. This will make such medical office building space more accessible to hospital services on the Valdese campus.

The entire building will comprise a total of approximately 142,000 square feet and be two stories. Blue Ridge is including the capital cost to develop the site, construct the shell and upfit hospital space in the building in a certificate of need application that will be separately filed on April 16, 2018. The purpose of the building is to reconfigure hospital outpatient services on the Valdese Campus to improve staff and patient flow, create more efficient operation, increase patient and staff satisfaction and decrease operational costs. Approximately 94,000 square feet of space on the first floor and 19,000 square feet of space on the second floor of the building will be used for hospital services and addressed in the certificate of need application.

Development or acquisition of a medical office building is exempt from certificate of need review under N.C.G.S. §131E-184(a)(9), regardless of cost, provided prior written notice is given to the Healthcare Planning and Certificate of Need Section. We would appreciate your prompt acknowledgment that this proposed acquisition is exempt from certificate of need review under N.C.G.S. §131E-184(a)(9).

Martha Frisone, Chief  
Lisa Pittman, Assistant Chief  
April 13, 2018  
Page 2

Please let us know if you have any questions.

With kind personal regards, I am

Very truly yours,

SMITH MOORE LEATHERWOOD LLP

A handwritten signature in black ink, reading "Maureen Demarest Murray". The signature is written in a cursive style with a large, sweeping initial "M".

Maureen Demarest Murray

MDM/mp