



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

July 25, 2018

Elizabeth V. Kirkman  
2709 Water Ridge Parkway, Suite 200  
Charlotte, NC 28217

**Exempt from Review**

**Record #:** 2658  
**Facility Name:** Carolinas Medical Center  
**FID #:** 943070  
**Business Name:** The Charlotte-Mecklenburg Hospital Authority  
**Business #:** 1770  
**Project Description:** Renovate the Pediatric Hematology/Oncology Unit on the main campus  
**County:** Mecklenburg

Dear Ms. Kirkman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of July 18, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(g). 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 Acute and Home Care Licensure and Certification Sections 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 Agency. 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.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603  
MAILING ADDRESS: 2701 Mail Service Center, Raleigh, NC 27699-2701  
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3750 • FAX: 919-733-2757

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Elizabeth V. Kirkman

July 25, 2018

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If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,



Julie M. Faenza  
Project Analyst



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



# Atrium Health



July 18, 2018

Ms. Martha Frisone, Chief  
Healthcare Planning and Certificate of Need Section  
Division of Health Service Regulation  
809 Ruggles Drive  
Raleigh, NC 27603

**RE: Exemption Request for The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center (CMC) to Renovate the Pediatric Hematology/Oncology Unit located on the 11<sup>th</sup> Floor of Levine Children's Hospital on CMC's Main Campus**

Dear Ms. Frisone:

I am writing to inform you of The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center's plan to renovate the Pediatric Hematology/Oncology Unit ("Pediatric HemOnc Unit") located on the 11<sup>th</sup> floor of Levine Children's Hospital on CMC's main campus.

Pursuant to N.C.G.S. 131E-184(g), "[t]he Department shall exempt from certificate of need review any capital expenditure that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(16)b. if any of the following conditions are met:

- (1) The sole purpose of the capital expenditure is to renovate, replace on the same site, or expand the entirety or a portion of an existing health service facility that is located on the main campus.
- (2) The capital expenditure does not result in (i) a change in bed capacity as defined in G.S. 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16)b.
- (3) The licensed health service facility proposing to incur the capital expenditure shall provide written notice to the Department along with support documentation to demonstrate that it meets the exemption criteria of this subsection."

N.C.G.S. 131E-176(14n) states "'Main campus' means all of the following for the purposes of G.S. 131E-184(f) and (g) only:

- a. The site of the main building from which a licensed health service facility provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building.
- b. Other areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building."



The Carolinas Medical Center Pediatric HemOnc Unit renovation project meets each of the applicable conditions set forth above. The estimated total capital cost of the project exceeds \$2,000,000 (see Attachment A for a capital cost worksheet and a certified construction cost estimate). The proposed project involves the renovation of an existing health service facility located at 1000 Blythe Boulevard, Charlotte, NC 28203, which is the site from which Carolinas Medical Center provides clinical patient services and exercises financial and administrative control over the entire facility (see Attachment B). Carolinas Medical Center's President's office is located on the second floor of the main hospital building. Please see a copy of Carolinas Medical Center's license in Attachment C.

The project consists of renovation only and does not involve a change in bed capacity as defined in G.S. 131E-176(5) or the addition of a health service facility or a new institutional health service. The project will not increase the number of operating rooms or gastrointestinal rooms. The project will not result in the acquisition of major medical equipment or the offering of health services not currently provided.

#### Pediatric HemOnc Unit Renovations

CMC's Pediatric Hematology and Oncology program is one of the busiest in the Southeast. The proposed project involves renovation of existing medical/surgical space on the eleventh floor in order to accommodate additional pediatric hematology/oncology patients. Hematology/oncology patients are immunocompromised and highly susceptible to infections. The proposed project will enable CMC to provide a controlled environment for additional pediatric hematologic oncology patients.

There are currently four licensed acute care beds in the Pediatric HemOnc Unit located on the eleventh floor of Levine Children's Hospital on CMC's Main Campus. As part of this project, four existing licensed acute care beds will be renovated so that they may also be utilized by Pediatric HemOnc patients. The renovations include creating two ante rooms at the two entry points to the HemOnc suite to control the air pressure requirements within the suite. Each ante room will be equipped with a handwash sink and a controlled access door. Additionally, the entire suite will be served by a mechanical system designed to maintain the required pressure relationship between the Pediatric HemOnc rooms and the surrounding area.

Following completion of the renovations, the Pediatric HemOnc suite will consist of eight total rooms that are accessed from a pressure controlled corridor with card reader access at the two ante room entry points. The existing floor entry doors will be used as the new dedicated Pediatric HemOnc entrance and a new inpatient entrance will be created adjacent to the existing entrance to access the 11P nursing unit. An existing nurses' station will also be reconfigured so that it can be utilized for the Pediatric HemOnc suite.

#### Summary

Based on the above facts, the project is exempt from certificate of need review. We are requesting that you confirm in writing that Carolinas Medical Center's Pediatric HemOnc



Unit renovation is exempt from certificate of need review and that we may proceed as planned with this project.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth Kirkman". The signature is written in a cursive style with a small horizontal line above the "i" in "Kirkman".

Elizabeth Kirkman  
Assistant Vice President  
Atrium Health Strategic Services Group

cc: Christopher Bowe, President, Carolinas Medical Center





# Attachment A





July 13, 2018

Atrium Health  
P.O. Box 32861  
Charlotte, NC 28232-2861

Attn: Mr. Michael Moore

Re: Atrium Health  
CON Exemption Request for LCH Peds Hem/Onc Renovation

Dear Mr. Moore:

Having worked with Atrium Health to develop the design for the referenced project, Little Diversified Architectural Consulting, is pleased to provide this cost certification letter. The design is reflected in the CON drawings, dated February 27, 2018.

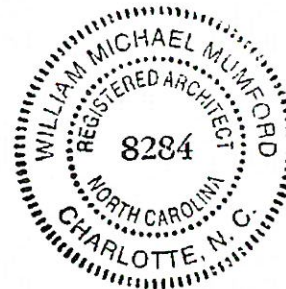
The estimated cost of construction is based on our experience, the input of JE Dunn Construction Group and the recent construction experience of Atrium Health. Based on this collective information, Little Diversified Architectural Consulting certifies an anticipated renovation cost of construction of \$2,732,552.

Please contact us if have questions.

Sincerely,

**Little Diversified Architectural Consulting**

William Mumford, AIA  
Healthcare Studio





**PROPOSED TOTAL CAPITAL COST OF PROJECT**

**Project name:** Peds Hem Onc Renovation  
**Provider/Company:** Levine Children's Hospital/Carolinas HealthCare System (Atrium Health)

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(1) Purchase price of land	_____
(2) Closing costs	_____
(3) Site Preparation	_____
(4) Construction/Renovation Contract	\$2,732,552
(5) Landscaping	_____
(6) Architect/Engineering Fees	\$359,000
(7) Medical Equipment	\$145,002
(8) Non Medical Equipment	_____
(9) Furniture	\$129,300
(10) Consultant Fees (CON Fees, Legal Fees, Design Fees)	\$179,753
(11) Financing Costs	_____
(12) Interest During Construction	_____
(13) Other (IS, Security, Internal Allocation)	\$65,859
(14) <b>Total Capital Cost</b>	<b>\$3,611,466</b>

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

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*(Signature of Licensed Architect or Engineer)*

*DATE*



# **Attachment B**





CON DOCUMENT COLOR KEY

- EXISTING BUILDING
- RENOVATION

PEDS HEM/ONC RENOVAION



CMC Peds Hem/Onc Renovation

Carolinas HealthCare System

02/22/18

Site Plan

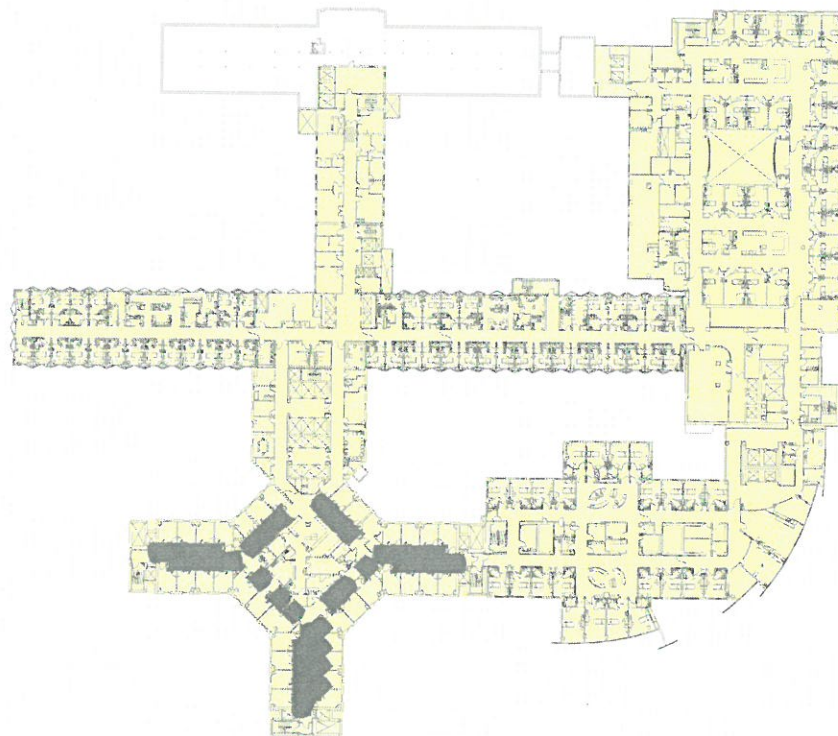
Carolinas Medical Center





CON DOCUMENT COLOR KEY

- EXISTING BUILDING
- RENOVATION



CMC Peds Hem/Onc Renovation

Carolinas HealthCare System

Level 11 - Existing

Carolinas Medical Center



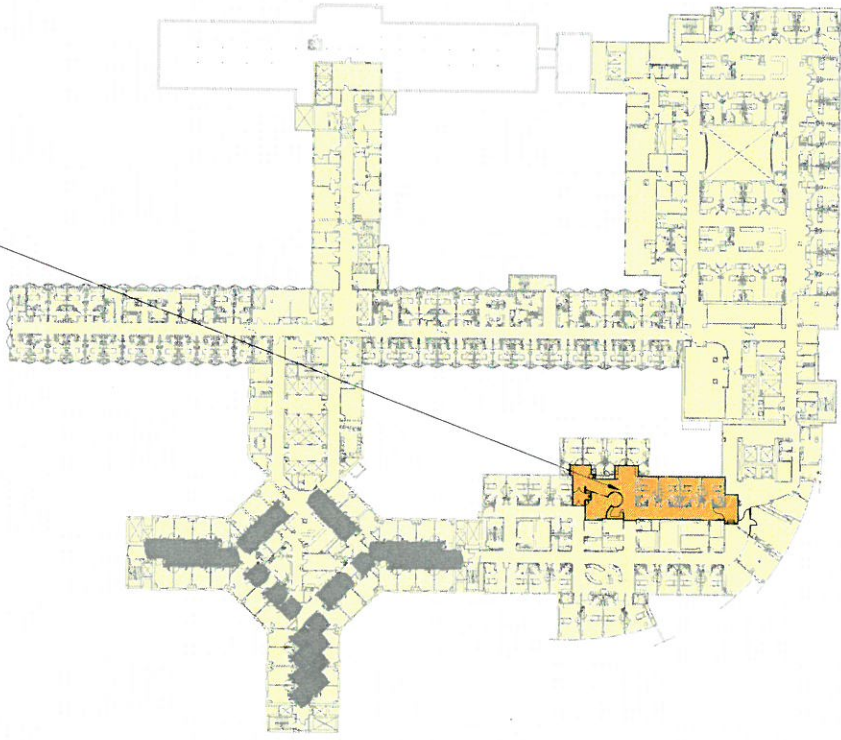
02/27/2018



CON DOCUMENT COLOR KEY

- EXISTING BUILDING
- RENOVATION

PEDS HEM/ONC  
RENOVATION



CMC Peds Hem/Onc Renovation

Carolinas HealthCare System

Level 11 - Proposed

Carolinas Medical Center

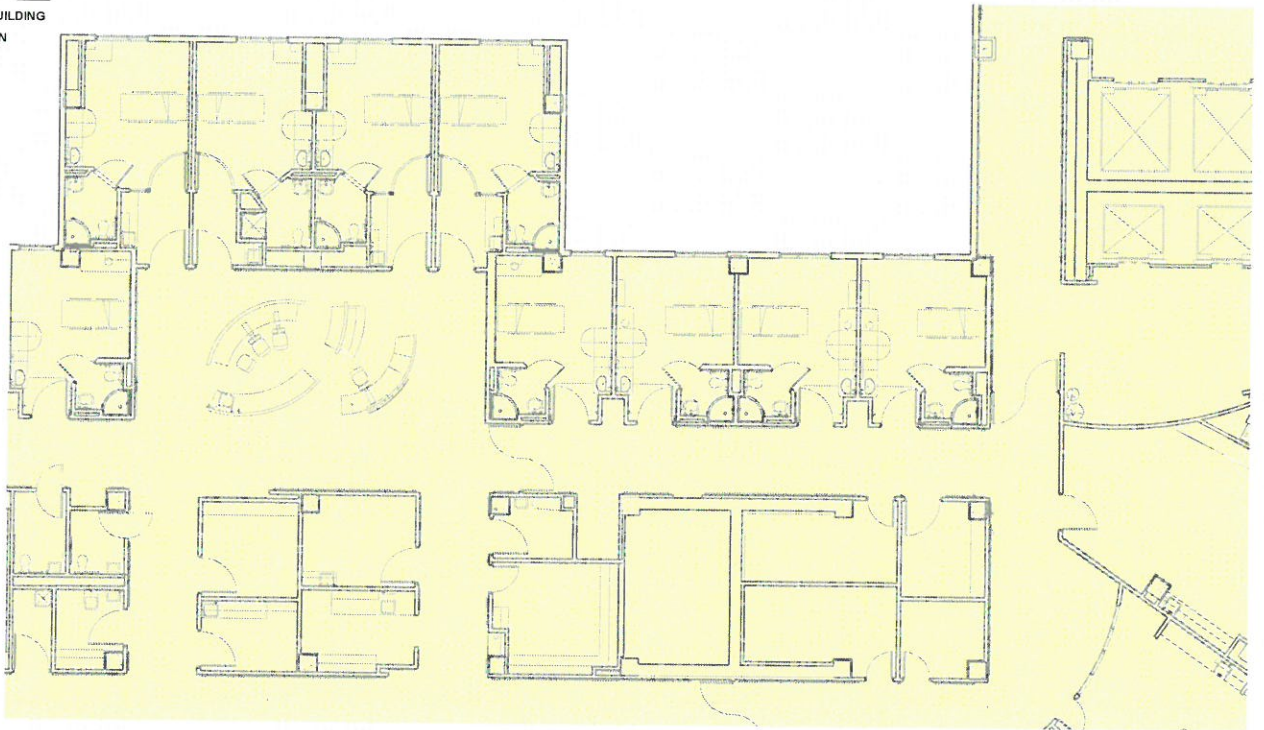


02/27/2018



CON DOCUMENT COLOR KEY

- EXISTING BUILDING
- RENOVATION



CMC Peds Hem/Onc Renovation

Carolinas HealthCare System

Level 11 - Enlarged Existing Hem/Onc

Carolinas Medical Center

02/20/18



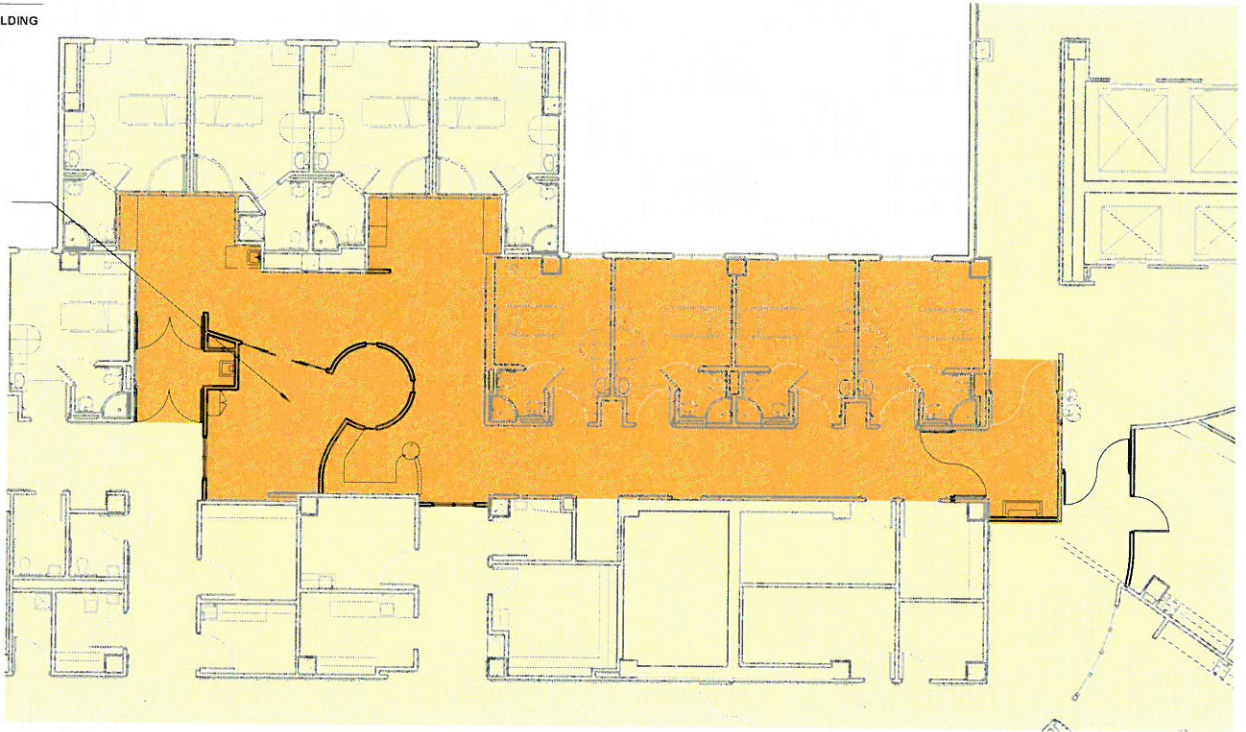




CON DOCUMENT COLOR KEY

- EXISTING BUILDING
- RENOVATION

PEDS HEM/ONC RENOVATION



CMC Peds Hem/Onc Renovation

Carolinas HealthCare System

Level 11 - Enlarged Proposed Hem/Onc

Carolinas Medical Center



02/20/18



# **Attachment C**



# State of North Carolina

Department of Health and Human Services  
Division of Health Service Regulation

*Effective January 01, 2018, this license is issued to*

*The Charlotte-Mecklenburg Hospital Authority*

*to operate a hospital known as*

*Carolinas Medical Center/Center for Mental Health*

*located in Charlotte, North Carolina, Mecklenburg County.*

*This license is issued subject to the statutes of the  
State of North Carolina, is not transferable and shall remain  
in effect until amended by the issuing agency.*

*Facility ID: 943070*

*License Number: H0071*

***Bed Capacity: 1166***

*General Acute 1010, Rehabilitation 13, Psych 132, Substance Abuse 11,*

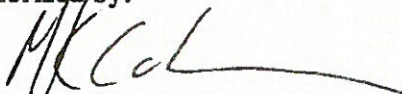
**Dedicated Inpatient Surgical Operating Rooms: 10**

**Dedicated Ambulatory Surgical Operating Rooms: 11**

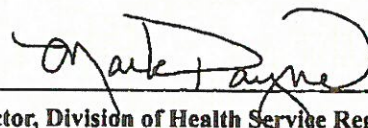
**Shared Surgical Operating Rooms: 41**

**Dedicated Endoscopy Rooms: 12**

Authorized by:



Secretary, N.C. Department of Health and  
Human Services



Director, Division of Health Service Regulation

