



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Service Regulation

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director

VIA EMAIL ONLY

June 6, 2018

Marisa Barone
Mbarone@wakehealth.edu

Exempt from Review

Record #: 2598
Facility Name: North Carolina Baptist Hospital
FID #: 943495
Business Name: North Carolina Baptist Hospital
Business #: 1819
Project Description: Renovate the 8th and 11th floors of Reynolds Tower on the NCBH main campus
County: Forsyth

Dear Ms. Barone:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of May 29, 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.

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

Sincerely,


Celia C. Inman
Project Analyst


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

cc: lpitman@wakehealth.edu
Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Amy Craddock, Assistant Chief, Healthcare Planning, DHSR

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: 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3873



May 29, 2018

Ms. Martha Frisone, Chief
Ms. Celia Inman, Project Analyst
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: North Carolina Baptist Hospital (FID # 943495 Lic # H0011) Request for Confirmation on CON Exemption – Renovations of the 8th and 11th floors of Reynolds Tower

Dear Ms. Frisone and Ms. Inman,

Pursuant to N.C.G.S. § 131E-184(g), Exemptions from Certificate of Need Review, I am writing to request confirmation that the project described below for North Carolina Baptist Hospital (“NCBH”) is exempt from review.

NCBH intends to renovate the 8th and 11th floors of Reynolds Tower, located on the NCBH main campus. These floors are currently vacant and are being renovated due to antiquated facilities that do not meet current standards. Renovations will include:

- Sprinkling of both the 8th and 11th floors of Reynolds Tower
- Air handler addition to service half of Reynolds Tower
- Upgrades of mechanical, electrical, and plumbing systems on both the 8th and 11th floors of Reynolds Tower
- Updates to all finishes on the 8th and 11th floors of Reynolds Tower

At completion of the project, 28 licensed general acute care beds and one unlicensed observation bed will be located on the 8th floor of Reynolds Tower and 27 licensed general acute care beds will be located on the 11th floor of Reynolds Tower. The 11th floor of Reynolds Tower will also include five outpatient infusion chairs.

The 55 licensed acute care beds that will be located on the 8th and 11th floors of Reynolds Tower will be relocated from the units outlined in the table below. The table below also notes how the units will be used upon the relocation of the licensed general acute care beds.

Table 1

Licensed Acute Care Bed Relocations

Unit Location	Licensed General Acute Care Bed Count	Post Relocation Usage of Unit
11 th Floor Ardmore Tower East	26 Beds	Unit will be decommissioned and closed.
11 th Floor Ardmore Tower West	13 Beds	Unit will be decommissioned and closed.
2 nd Floor Sticht Center	16 Beds	Pediatric Psychiatric Beds will be moved from the 10 th floor of Ardmore Tower West to the 2 nd Floor Sticht Center. The 10 th Floor of Ardmore Tower West will be decommissioned and closed.

Exhibit 1 includes an NCBH Bed Stacking Diagram which outlines in detail the current location of all licensed general acute care beds, the future location of all licensed general acute care beds upon completion of this project, and from which units bed relocations will occur.

NCBH believes this project is exempt from review, as described below. Pursuant to N.C.G.S. § 131E-184(g):

"The 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 all 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.*

The sole purpose of the renovations to the 8th and 11th floors of Reynolds Tower are to renovate a portion of an existing health service facility, NCBH. The 8th and 11th floors of Reynolds Tower are located on the NCBH main campus.

Pursuant to N.C.G.S. § 131E-176(14n), "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.*

Exhibit 2 includes a campus map of NCBH and outlines the locations of Reynolds Tower and the offices of the Chief Executive Officer and Chief Financial Officer, who are responsible for financial and administrative control over NCBH. As illustrated on the map, Reynolds Tower is located on the NCBH 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 other than that allowed in G.S. 131E-176(16)b.*

The capital expenditure for renovating the 8th and 11th floors of Reynolds Tower does not result in a change in bed capacity as defined in G.S. 131E-176(5) or in the addition of a health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16)b. The capital expenditure involves renovation of vacated units. Upon completion of the renovation, 55 licensed general acute care

beds will be relocated to the 8th and 11th floors of Reynolds Tower from the 11th floor of Ardmore Tower East (26 beds), the 11th floor of Ardmore Tower West (13 beds), and the 2nd Floor of the Sticht Center (16 beds). The vacated spaces will either be decommissioned or converted as outlined in Table 1 and Exhibit 1.

N.C.G.S. 131E-176(5) defines change in bed capacity as:

(i) any relocation of health service facility beds, or dialysis stations from one licensed facility or campus to another, or (ii) any redistribution of health service facility bed capacity among the categories of health service facility bed as defined in G.S. 131E-176(9c), or (iii) any increase in the number of health service facility beds, or dialysis stations in kidney disease treatment centers, including freestanding dialysis units.

This project does not involve (i) a relocation of health service facility beds from one licensed facility or campus to another, or (ii) a redistribution of health service facility bed capacity among the categories of health service facility beds as defined in G.S. 131E-176(9c), or (iii) an increase in the number of health service facility beds.

NCBH is licensed for 802 general acute care beds. See Exhibit 3 for the NCBH hospital license. NCBH is not proposing that any of its licensed beds be relocated to another facility or campus, be redistributed, or be increased. At the close of this project, NCBH will continue to be licensed for 802 general acute care beds. The physical location of the beds will change as outlined in Table 1 and Exhibit 1, however all relocations will occur within the NCBH main campus.

The only other possible new institutional health service which could be applicable to this project is major medical equipment (see N.C.G.S. § 131E-176(16)p.), which is defined in N.C.G.S. § 131E-176 (14o) as

a single unit or single system of components with related functions which is used to provide medical and other health services and which costs more than seven hundred fifty thousand dollars (\$750,000). In determining whether the major medical equipment costs more than seven hundred fifty thousand dollars (\$750,000), the costs of the equipment, studies, surveys, designs, plans, working drawings, specifications, construction, installation, and other activities essential to acquiring and making operational the major medical equipment shall be included. The capital expenditure for the equipment shall be deemed to be the fair market value of the equipment or the cost of the equipment, whichever is greater. Major medical equipment does not include replacement equipment as defined in this section.

As part of this project, NCBH does not intend to purchase any single piece of equipment which costs more than \$750,000, including surveys, designs, plans, working drawings, specifications, construction, installation, and other activities essential to acquiring and making operational the medical equipment for this project.

- (3) *The licensed health service facility proposing to incur the capital expenditure shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.*

NCBH respectfully requests that the CON Section confirm that, based on the facts stated above as well as the information included in the Exhibits, the NCBH 8th and 11th Floor Reynolds Tower Renovation Project meets all of the exemption criteria in N.C.G.S. § 131E-184(g).

Please let me know if you have any questions or if additional information is needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Marisa Barone". The signature is fluid and cursive, with the first name "Marisa" being more prominent than the last name "Barone".

Marisa Barone
Senior Planning Manager
Wake Forest Baptist Medical Center

INDEX OF EXHIBITS

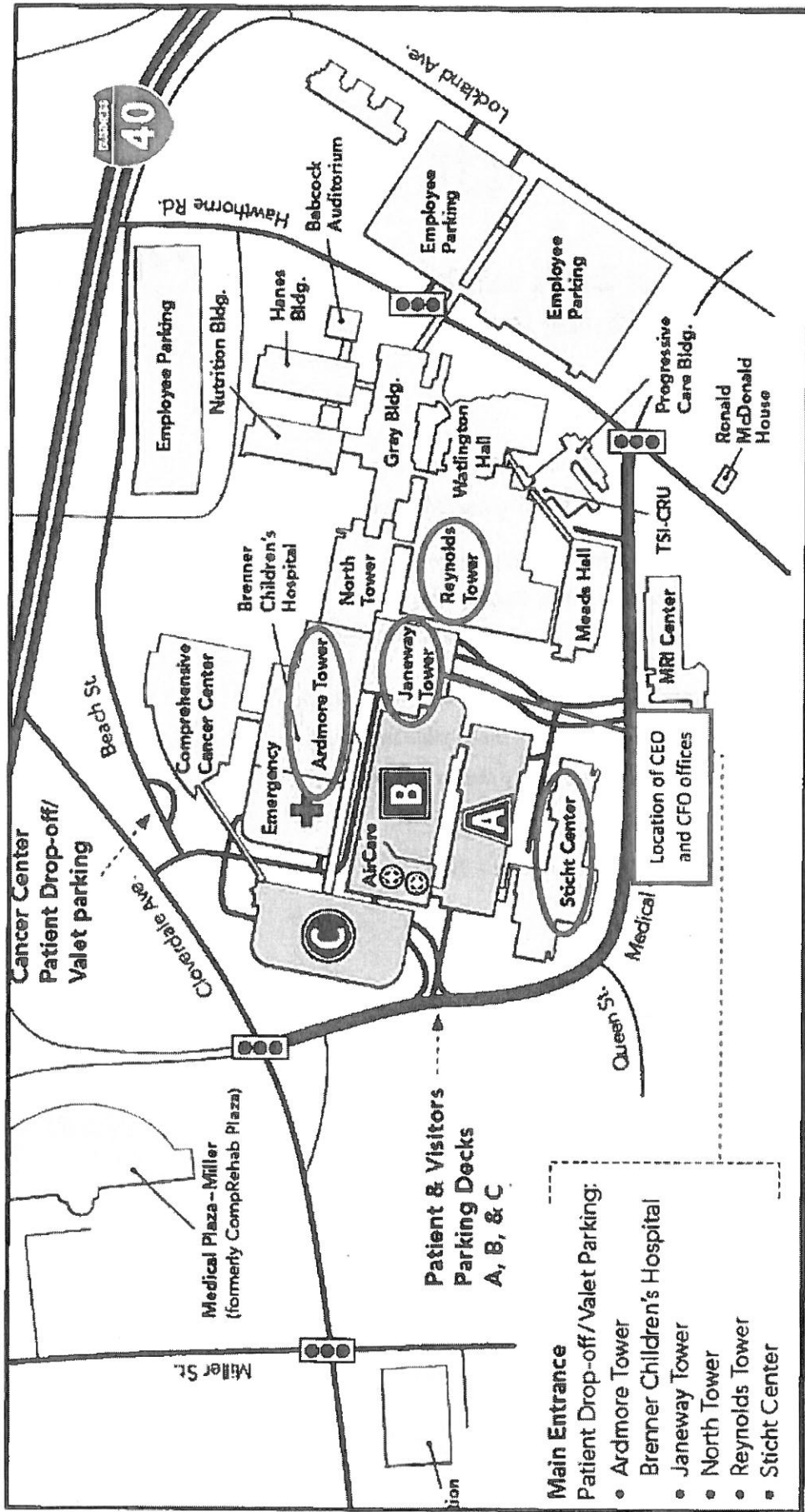
1. Bed Stacking Diagram
2. Campus Map
3. NCBH License

Exhibit 1: Bed Stacking Diagram

Building	Floor	Current		Post Renovation		Net Change (Post Renovation - Current)
		Unit Name	Licensed General Acute Care Beds	Unit Name	Licensed General Acute Care Beds	
Reynolds Tower	11	Vacant	0	New Unit	28	28
	10	Orthopedics	20	Orthopedics	20	0
	9	Trauma/Gen Surg	25	Trauma/Gen Surg	25	0
	8	Vacant	0	New Unit	27	27
	7	Cardiology	25	Cardiology	25	0
	6	IMC	24	IMC	24	0
	5	CT/Vascular	23	CT/Vascular	23	0
	4	MICU	24	MICU	24	0
North Tower	11	Day Hospital	0	Closed	0	0
	10	Plastic/Burn	24	Plastic/Burn	24	0
	9	Hospitalist/Badge	14	Hospitalist/Badge	14	0
	8	Neph/Hemo	19	Neph/Hemo	19	0
	7	CV-ICU	22	CV-ICU	22	0
	6	Neonatal IMC	12	Neonatal IMC	12	0
	6	PSCC	8	PSCC	8	0
	5	Trauma ICU(5b)	11	Trauma ICU(5b)	11	0
	4	MICU(4ab)	22	MICU(4ab)	22	0
Ardmore Tower East	11					
	10	Gen Med	26	Gen Med	26	0
	9	Hospitalist	24	Hospitalist	24	0
	8	Gen Med/Hosp	26	Gen Med/Hosp	26	0
	7	Cardiology Inter	28	Cardiology Inter	28	0
	6	NICU	28	NICU	28	0
	5	Neurosurgery	26	Neurosurgery	26	0
	4	Neurology/EMU	23	Neurology/EMU	23	0
Ardmore Tower West	11					
	10					
	9	Peds HemoOnc	32	Peds HemoOnc	32	0
	8	Peds	28	Peds	28	0
	7	Clinic	0	Clinic	0	0
	6	PICU/Peds IMC	26	PICU/Peds IMC	26	0
	5	Neuro ICU	24	Neuro ICU	24	0
	4	Cath Labs	0	Cath Labs	0	0
Comprehensive Cancer Center	9	Surgical Oncology	40	Surgical Oncology	40	0
	8	OncICU/BMT	28	OncICU/BMT	28	0
	7	Oncology	40	Oncology	40	0
	6	Oncology	40	Oncology	40	0
	5	Day Hospital	0	Day Hospital	0	0
	5	Women's	19	Women's	19	0
Sticht Center	3	Rehab	0	Rehab	0	0
	25A			Peds Psych	0	-16
	25B	ACE	16	ACE	16	0
	15A	Adult Psych	0	Adult Psych	0	0
	15B	Vacant	0	Vacant	0	0

Total General Acute Care Beds: 802 802 0

Exhibit 2: NCBH Campus Map



State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

*Effective January 01, 2018, this license is issued to
North Carolina Baptist Hospital
to operate a hospital known as
North Carolina Baptist Hospital
located in Winston Salem, North Carolina, Forsyth 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: 943495
License Number: H0011*

*Bed Capacity: 885
General Acute 802, Rehabilitation 39, Psych 44.*

Dedicated Inpatient Surgical Operating Rooms: 4
Dedicated Ambulatory Surgical Operating Rooms: 0
Shared Surgical Operating Rooms: 36
Dedicated Endoscopy Rooms: 10

Authorized by:



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



Director, Division of Health Service Regulation