



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

March 26, 2018

Lynn S. Pitman  
North Carolina Baptist Hospital  
lpitman@wakehealth.edu

**Exemption from Review - Pursuant to G.S. 131E-184(g)**

**Record #:** 2550  
**Facility Name:** North Carolina Baptist Hospital  
**FID #:** 943495  
**Business Name:** North Carolina Baptist Hospitals  
**Business #:** 1819  
**Project Description:** Construction of new patient services building on the NCBH Main Campus to accommodate ED, surgical services, 38 ORs and recovery space, 28-bed ICU, and mechanical space  
**County:** Forsyth

Dear Ms. Pitman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of March 15, 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

**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

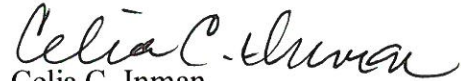


Ms. Pitman  
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referenced above, a new determination as to whether a certificate of need is required would need to be made by the Agency. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical 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: Construction Section, DHSR  
Amy Craddock, Assistant Chief, Healthcare Planning, DHSR  
Acute and Home Care Licensure and Certification Section, DHSR

March 15, 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: Request for Confirmation of Exemption for North Carolina Baptist Hospital (FID # 943495) for Construction of New Patient Services Building on the NCBH Campus**

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 demolish Parking Deck B due to age and weakening of the structure. This post tension deck has deteriorated over the years to the point at which that top level can no longer be used for parking. Parking Deck B is centrally located on the NCBH campus; therefore, in its place a new patient services building is planned for construction. Please see Exhibit 1 for a NCBH campus map. The new patient services building will total approximately 260,000 square feet and encompass seven levels.<sup>1</sup> The planned services for each level are as follows:

- Level 1: Expansion of the Emergency Department
- Level 2: Surgical Services Waiting, Prep & Post
- Level 3: 20 Operating Rooms ("OR")
- Level 4: Mechanical Floor
- Level 5: 18 ORs and Recovery Space
- Level 6: 28-Bed ICU
- Level 7: Mechanical Floor

The 38 operating rooms planned for levels three and five of the new patient services building will be relocated from their existing location on the 1<sup>st</sup> floor of Ardmore Tower. The 28 ICU beds planned for the 6<sup>th</sup> floor of the patient services tower will be relocated from 5<sup>th</sup> Floor North Tower. The vacated spaces on the 1<sup>st</sup> floor of Ardmore Tower and the 5<sup>th</sup> floor of North Tower will be decommissioned, with future use of the locations to be determined.

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:*

<sup>1</sup> NCBH intends to replace Parking Deck B with a new deck on another part of the hospital campus. NCBH is still in the process of determining where on the campus to locate that parking deck. Once that determination is made, NCBH will submit additional correspondence to the CON Section seeking exemption for that parking deck from CON review under N.C.G.S. § 131E-184.

- (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 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 prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.*

The development of the new patient services building has the sole purpose of renovating, replacing on the same site, and expanding a portion of an existing health service facility that is located on the main campus of NCBH. No new institutional health services will be developed. NCBH is licensed for 40 ORs and 802 general acute care beds. This project includes the relocation of 38 ORs from the 1<sup>st</sup> floor of Ardmore Tower and 28 acute care beds from 5<sup>th</sup> floor of North Tower to the new patient services building. The vacated spaces will be decommissioned, with future use of those locations to be determined at a later date. The new patient services tower will contain 38 relocated ORs and 28 relocated ICU beds. Two ORs will remain on the 1<sup>st</sup> floor of Ardmore Tower.

Further, all of the proposed relocated services will remain on the 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.*

NCBH is a licensed health service facility that provides clinical and patient services. The NCBH campus is located at Medical Center Blvd, Winston-Salem, NC 27127. Financial and administrative control over NCBH is administered by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), whose offices are located within the NCBH campus on Medical Center Blvd. The new patient services building will be located in space currently occupied by Parking Deck B. The ORs that will be relocated to the new patient services building will be relocated from the 1<sup>st</sup> floor of Ardmore Tower. The ICU beds that will be relocated to the new building will be relocated from the 5<sup>th</sup> floor of North Tower. The offices of the CEO and the CFO are located on the 10<sup>th</sup> floor of Janeway Tower. Please see Exhibit 1 which includes an NCBH campus map and denotes the location of the office of the CEO and CFO as well as the location of Parking Deck B, Ardmore Tower, and North Tower.

The proposed project also does not result in a change in bed capacity as defined in G.S. 131E-176(5) nor 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.

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.*

N.C.G.S. § 131E-176(16)u. describes the services related to ORs and gastrointestinal endoscopy rooms which constitute new institutional health services:

*The construction, development, establishment, increase in the number, or relocation of an operating room or gastrointestinal endoscopy room in a licensed health service facility, other than the relocation of an operating room or gastrointestinal endoscopy room within the same building or on the same grounds or to grounds not*

*separated by more than a public right-of-way adjacent to the grounds where the operating room or gastrointestinal endoscopy room is currently located.*

The project includes relocation of ORs and general acute beds from the 1<sup>st</sup> floor of Ardmore Tower and the 5<sup>th</sup> floor of North Tower to a new patient services building to be constructed in the location of the existing Parking Deck B. The general acute care beds will not be relocated from one facility or campus to another, will not be redistributed among the categories defined in N.C.G.S. 131E-176(9c), and will not be increased. The ORs will be not be increased in number or relocated to a new facility. Both the ORs and general acute care beds will be relocated to a new tower to be constructed on the same grounds as their existing locations.

NCBH is licensed for a total of 40 ORs and 802 general acute care beds and is not proposing additional ORs or general acute care beds as part of this project. Please Exhibit 2 for NCBH's license.

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.*

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.

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 above-described 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,



Lynn S. Pitman, MHA  
Associate Vice President  
Clinical Operations and Space Optimization

## INDEX OF EXHIBITS

1. NCBH Campus Map
2. NCBH License

# 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.*

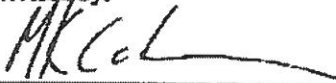
*This license is issued subject to the statutes of the  
State of North Carolina, is not transferable and shall remain  
in effect until amended by the issuing agency.*

*Facility ID: 943495  
License Number: H0011*

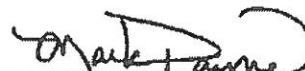
*Bed Capacity: 885  
General Acute 802, Rehabilitation 39, Psych 44.*

*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

Exhibit 1: NCBH Campus Map

