



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

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

May 7, 2018

Jeffrey Shovelin
PO Box 6028
Greenville, NC 27835-6028

Exempt from Review

Record #: 2578
Facility Name: Vidant Medical Center
FID #: 933410
Business Name: Pitt County Memorial Hospital, Inc.
Business #: 1443
Project Description: Renovate GI Endoscopy Suite
County: Pitt

Dear Mr. Shovelin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of April 24, 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,

Jane Rhoe-Jones
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

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



VIDANT HEALTH™



April 24, 2018

Ms. Jane Rhoe-Jones
Certificate of Need Section
Division of Health Service Regulation
NC Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

RE: Request for Exemption Pursuant to G.S. 131E-184(g) / Pitt County Memorial Hospital, Inc. d/b/a/
Vidant Medical Center / GI Endoscopy Suite Renovation / Pitt / FID #: 933410

Dear Ms. Rhoe-Jones:

Pitt County Memorial Hospital, Inc. d/b/a/ Vidant Medical Center (VMC) plans to renovate its existing main GI suite to a) provide a better care environment for patients and families, b) improve clinical efficiency and cost effectiveness and c) increase the size of GI endoscopy rooms to accommodate the size of today's technology.

Today, VMC has four licensed GI endoscopy suites in the hospital. One is located in the Children's Hospital, another is located in a decommissioned operating room in the main OR suite, and the remaining two are located in the main GI suite. The main GI suite consists of the aforementioned two endoscopy rooms, a bronchoscopy lab, two separate pre-procedure patient prep and holding area, and a separate post procedure recovery unit. The suite is not optimal because:

- The separate and distinct pre and post procedure areas is not clinically efficient from a staffing, shared support, and economies of scale perspective.
- The separate and distinct areas are confusing to patients and waiting family members and requires patients and their families to constantly move from area to area. This impacts patient and family satisfaction and reduces the ability to maintain patient privacy.
- The size of the existing endoscopy room themselves are too small to support today's technology requirements, especially for more complex GI procedures like ERPCs that have to be performed in the hospital setting rather than an outpatient clinic. Today, when these procedures are performed in the main GI, equipment has to be taken in and out of the room (decreases efficiency) and when in the room, clinical personnel do not have adequate space to move freely around the room (impacts patient safety).
- Like the GI endoscopy rooms, the existing bronchoscopy lab is too small to accommodate today's technology and also doesn't allow clinical personnel to move about freely, impacting clinical efficiency and patient safety.

To address these issues among others, VMC is proposing to renovate its existing main GI suite to create a space that improves clinical efficiency, patient safety, patient and family satisfaction, and allows for the efficient adoption of today's technology.

Specifically, the project will consist of:

- Combining the separate and distinct pre and post procedure areas into one combined prep/recovery area.
- Enlarge the existing bronchoscopy lab
- Enlarge one of the existing GI labs (the other will remain in its current location)
- Reference all site and floor plans associated with the proposed project that are attached to this letter.

The project is expected to be completed by October 2020. The total capital cost of the proposed project is estimated at \$5,710,500, with \$4,402,000 in design and construction costs, \$839,000 in equipment and furniture costs, and \$469,000 in other cost related to IS, security, biomed and signage. Reference the capital cost sheet and equipment list attached to this letter.

Even though the project exceeds \$2,000,000, VMC believes that the proposed project is not subject to review under North Carolina's Certificate of Need (CON) laws. VMC's proposed project meets the requirements found in G.S. 131E-184(g). This statute states:

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

Specifically:

- a) VMC is an existing health service facility. Reference a copy of the hospital's current license attached to this letter.
- b) The sole purpose of the capital expenditure is to renovate existing space in an existing health facility for an existing health service that is located on the main campus. Reference the attached site plans that show the will occur in the same location within the hospital as it currently resides. Also reference the attached letter from Brian Floyd, President of VMC, certifying financial and administrative control of the entire licensed health service facility is exercised at the site of the proposed renovations and construction.

- c) The project does not result in a change (increase or decrease) in bed capacity nor does the project result in the addition of any other new institutional health service facilities or services. VMC currently provides GI endoscopy services in four licensed GI endoscopy rooms as part of its normal compliment of services. Reference VMC's 2017 Hospital License Renewal Application that is attached to this letter. At the completion of the proposed project, VMC will continue to provide GI endoscopy services in four licensed GI endoscopy rooms as part of its normal compliment of services.

- d) By this letter, VMC is providing prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.

VMC believes its proposal meets the requirements identified above and is therefore exempt from review. Therefore, VMC requests approval of a no review status for the proposed project. If you require additional information or clarification, please contact me at (252)-847-3631.

Sincerely,



Jeffrey Shovelin
Administrator, Corporate Planning
Vidant Health
PO Box 6028, Greenville, NC 27835-6028
252-847-3631
jshoveli@vidanthealth.com

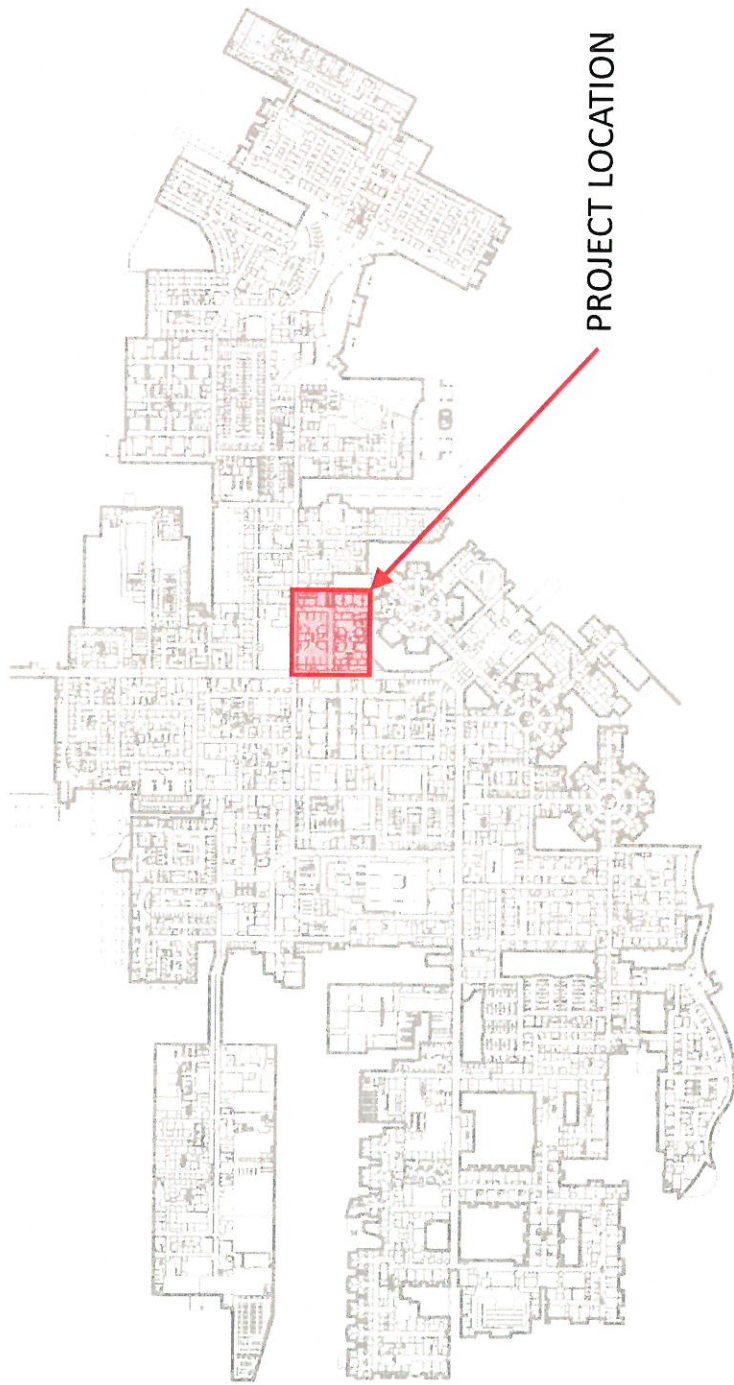


ADULTS + KIDNAPS
 270 STANTON RD
 GREENVILLE, NC 27634
 (757) 443-7000

VIDANT MEDICAL CENTER
GI SUITE RENOVATION
 ENDOSCOPY LAB RELOCATION
 GREENVILLE, NORTH CAROLINA

NO.	DESCRIPTION	DATE	BY

PROJECT NO. VMCA002
 DATE 02/22/17
 DRAWN BY JMS
 SHEET NO. 01 OF 01
 VMCA002/01/01



PROJECT LOCATION

VMC OVERALL PLAN
 NOT TO SCALE

PROJECT CAPITAL COSTS

A. Site Costs

(1) Full Purchase Price of Land	\$	-	
Acres_____ \$/Acre_____			
(2) Closing Costs	\$	-	
(3) Site Inspection and Survey	\$	-	
(4) Legal Fees and Subsoil Investigation	\$	-	
(5) Site Preparation [Include]			
Soil Borings			
Clearing and Grading			
Roads and Parking			
Sidewalks			
Water and Sewer			
Excavation and Backfill			
Termite Treatment			
Subtotal Site Preparation Costs	\$	-	
(6) Other (Testing)	\$	-	
(7) Subtotal Site Costs			\$ -

B. Construction Contract

(8) Cost of Materials [Include]			
General Requirements			
Concrete/Masonry			
Woods/Doors & Windows/Finishes			
Thermal & Moisture Protection			
Equipment/Specialty Items			
Mechanical/Electrical			
Subtotal Cost of Materials	\$	2,172,600	
(9) Cost of Labor	\$	1,448,400	
(10) Other (Contingency)	\$	531,000	
(11) Subtotal Construction Contract			\$ 4,152,000

C. Miscellaneous Project Costs

(12) Building Purchase	\$	-	
(13) Equipment/Furniture Lease/Purchase	\$	839,500	
(14) Equipment Purchase	\$	-	
(15) Furniture	\$	-	
(16) Landscaping	\$	-	
(17) Consultant Fees			
Architect/Engineering Fees	\$	250,000	
Legal Fees	\$	-	
Market Analysis	\$	-	
Other (Underwriter Fees & Other Fees)	\$	-	
Subtotal Consultant Fees	\$	250,000	
(18) Financing Costs (e.g. Bond, Loan, etc.)	\$	-	
(19) Interest During Construction	\$	-	
(20) Other (IS / Security / BioMed / Signage)	\$	469,000	
(21) Subtotal Miscellaneous Project Costs			\$ 1,558,500

D. Total Capital Cost of Project (Sum A-C Above)

\$ 5,710,500

VMC GI Suite Renovation Equipment List

Endoscopy Room (ERCP)	
OEC Elite C arm	\$ 200,000
NuBoom visualization	\$ 188,000
Stille imaging table	\$ 62,000
Anesthesia machine	\$ 65,000
Monitoring system	\$ 8,000
EPIC software license	\$ 1,500
Other/miscellaneous	\$ 15,000
Subtotal	\$ 539,500
Other Furniture & Minor Equipment	
Prep & Recovery Area	\$ 275,000
Bronch Lab	\$ 25,000
Subtotal	\$ 300,000
GRAND TOTAL	\$ 839,500

XII. Proposed Development Schedule

Project the specific dates (i.e., month, day & year) for each of the following milestones. If a milestone is not applicable, please enter NA and explain why it is not applicable on a separate page.

Note that the schedule which you propose is extremely important. The timetable you provide determines (1) the period of time during which the project must be developed, and (2) the time(s) at which the Agency shall request a progress report(s). Therefore, this schedule should reflect the actual date each milestone is anticipated to be completed. If the CON decision is made on a later date than the one identified in 1.(a) in the timetable below, the schedule will be adjusted accordingly by the Certificate of Need Section.

1	<u>Certificate of Need</u>	
	(a) Anticipated Date of Decision	NA
	(b) Date of Issuance of the Certificate of Need	NA
2	<u>Financing</u>	
	(a) Obtaining Construction Financing	NA
	(b) Obtaining Permanent Financing	NA
	(c) Obtaining Funds Necessary to Undertake Project	04/24/18
3	<u>Design</u>	
	(a) Completion of Preliminary Drawings	05/15/18
	(b) Completion of Final Drawings	07/30/18
	(c) Approval of Final Drawings by Construction Section, DHSR	10/30/18
4	<u>Construction</u>	
	(a) Approval of Site by Construction Section, DHSR	N/A
	(b) Contract Award (Notice to Proceed)	09/24/18
	(c) 25% Completion of Construction	05/27/19
	(d) 50% Completion of Construction	11/11/19
	(e) 75% Completion of Construction	04/27/20
	(f) Completion of Construction	10/12/20
	(g) Occupancy/Offering Services	10/20/20
	<i>*The site is an existing site</i>	
5	<u>Acquisition of Medical Equipment</u>	
	(a) Ordering Equipment	01/24/19
	(b) Arrival of Equipment	05/20/20
	(c) Operation of Equipment	10/20/20
6	<u>Other Milestones</u>	
	(a) Licensure of Facility	10/12/20
	(b) Certification of Beds	NA
	(c) Other	NA

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

*Effective January 01, 2018, this license is issued to
Pitt County Memorial Hospital, Inc.*

*to operate a hospital known as
Vidant Medical Center
located in Greenville, North Carolina, Pitt 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: 933410

License Number: H0104

Bed Capacity: 909

General Acute 782, Rehabilitation 75, Psych 52,

Dedicated Inpatient Surgical Operating Rooms: 7

Dedicated Ambulatory Surgical Operating Rooms: 0

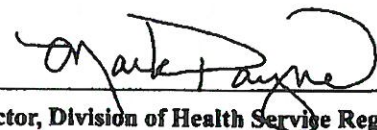
Shared Surgical Operating Rooms: 26

Dedicated Endoscopy Rooms: 4

Authorized by:



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



Director, Division of Health Service Regulation

All responses should pertain to October 1, 2016 through September 30, 2017.

9. Surgical Operating Rooms, Procedure Rooms, Gastrointestinal Endoscopy Rooms, Surgical and Non-Surgical Cases and Procedures

NOTE: If this License includes more than one campus, please copy pages 11-13 (through Section 9-g) for each site. Submit the Cumulative Totals and submit a duplicate of pages 11-13 for each campus.

Campus – if multiple sites: _____

a) Surgical Operating Rooms

A Surgical Operating Room is defined as a room “used for the performance of surgical procedures requiring one or more incisions and that is required to comply with all applicable licensure codes and standards for an operating room” (G.S. §131E-146(1c)). These surgical operating rooms include rooms located in both Obstetrics and surgical suites.

Type of Room	Number of Rooms
Dedicated Open Heart Surgery	
Dedicated C-Section	4
Other Dedicated Inpatient Surgery (<i>Do not include dedicated Open Heart or C-Section rooms</i>)	3
Dedicated Ambulatory Surgery	
Shared - Inpatient / Ambulatory Surgery	26
Total of Surgical Operating Rooms	33

Of the Total of Surgical Operating Rooms , above, how many are equipped with advanced medical imaging devices (excluding mobile C-arms) or radiation equipment for the performance of endovascular, cardiovascular, neuro-interventional procedures, and/or intraoperative cancer treatments? Your facility may or may not refer to such rooms as “hybrid ORs.”	
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b) Gastrointestinal Endoscopy Rooms, Cases and Procedures

Report the number of Gastrointestinal Endoscopy rooms and the Endoscopy cases and surgical procedures performed only in these rooms during the reporting period.

Total Number of existing Gastrointestinal Endoscopy Rooms: 4

	Number of Cases Performed In GI Endoscopy Rooms <i>Count each patient as one case regardless of the number of procedures performed while in the GI endoscopy room.</i>		Number of Procedures* Performed in GI Endoscopy Rooms <i>The number of procedures must be greater than or equal to the number of cases.</i>	
	Inpatient	Outpatient	Inpatient	Outpatient
GI Endoscopy	1975	2892	2434	3608
Non-GI Endoscopy				

*As defined in 10A NCAC 14C .3901 “ ‘Gastrointestinal (GI) endoscopy procedure’ means a single procedure, identified by CPT code or [ICD-10-PCS] procedure code, performed on a patient during a single visit to the facility for diagnostic or therapeutic purposes.”

c) Procedure Rooms (Excluding Operating Rooms and Gastrointestinal Endoscopy Rooms)

Report rooms, which are not licensed as operating rooms or GI endoscopy rooms, but that are used for performance of surgical procedures other than Gastrointestinal Endoscopy procedures.

Total Number of Procedure Rooms: 1 Branch Lab



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April 19, 2018

Ms. Jane Rhoe-Jones
Certificate of Need Section
Division of Health Service Regulation
NC Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

RE: Request for Exemption Pursuant to G.S. 131E-184(g) / Pitt County Memorial Hospital, Inc. d/b/a/
Vidant Medical Center / GI Endoscopy Suite Renovation / Pitt / FID #: 933410

Dear Ms. Rhoe-Jones:

Per your request for additional information regarding the project listed above, please accept this letter as documentation that I, Brian Floyd, President of Vidant Medical Center (VMC), do hereby certify, as it relates to the proposed project, that:

1. Financial control of the entire licensed health service facility is exercised at the site of the proposed renovations or construction, and
2. Administrative control of the entire licensed health service facility is exercised at the site of the proposed renovations or construction.

If you require additional information or clarification, please contact Jeff Shovelin, Director of Corporate Planning at (252)-847-3631. Thank you for your time and attention to this important project.

Sincerely,

Brian Floyd, MBA, RN
President, Vidant Medical Center