



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

November 1, 2018

Terrill Johnson Harris
300 N. Greene Street
Suite 1400
Greensboro, NC 27401

Exempt from Review

Record #: 2762
Facility Name: Scotland Memorial Hospital
FID #: 933446
Business Name: Scotland Memorial Hospital, Inc.
Business #: 1638
Project Description: Renovate and expand the hospital main campus
County: Scotland

Dear Ms. Harris:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of October 30, 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

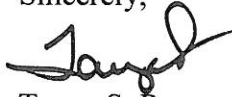
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

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

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

Sincerely,



Tanya S. Rupp
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
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR



October 25, 2018

Martha Frisone, Chief
Tanya Rupp, Project Analyst
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

2762 NR
1638 Bus

Re: **Notice of Exemption for Renovation Pursuant to G.S. 131E-184(g)**
Facility: Scotland Memorial Hospital
Project Description: Renovate and Expand ICU/PCU and Renovate First Floor
County: Scotland
FID #: 933446

Dear Martha and Tanya:

We are writing on behalf of Scotland Memorial Hospital, Inc. ("Scotland") to give prior written notice pursuant to N.C. Gen. Stat. § 131E-184(g) that Scotland plans to renovate and expand a portion of its existing hospital. The sole purpose of Scotland's project is to renovate and expand a portion of its existing health service facility located on its main campus. Specifically, Scotland plans to construct a second floor to house its Intensive Care Unit ("ICU") and Progressive Care Unit ("PCU") and to renovate the first floor where Cardiology, Cardiac Catheterization, Cancer Center, and Respiratory Therapy services are concentrated.

Scotland is located at 500 Lauchwood Drive, Laurinburg, North Carolina. A copy of its 2018 License is attached as Exhibit 1. This location is the main campus for the licensed health service facility where it provides clinical services. Gregory C. Wood is the President and Chief Executive Officer, and his office is located in the main hospital building at Scotland. His role includes the exercise of administrative and financial control of the Hospital and the grounds and buildings adjacent to the main hospital building. Scotland's administration, finance, and medical records departments are located on the first floor of the main hospital building.

The site of the proposed renovations is the existing, main hospital building. A site plan drawn to scale identifying the main hospital building is attached as Exhibit 2. Only the main hospital building will be renovated and expanded as part of this project. Design drawings are attached as Exhibit 3 and show each area to be renovated.

Martha Frisone, Chief
Tanya Rupp, Project Analyst
October 25, 2018
Page 2

Scotland's goal is to enhance the care it provides to the citizens of Scotland County. The construction of a second story will enable Scotland to modernize the space for its ICU and PCU. The current ICU and PCU rooms are outdated and undersized for the equipment and personnel needed, and the second story addition will feature modern and appropriately sized patient rooms. The total number of acute care beds will not change as a result of this renovation and expansion project. On the first floor, Scotland also plans to renovate and update the space used for Cardiology, Cardiac Catheterization, Cancer Center, and Respiratory Therapy to enhance patient care and the efficient use of space. Scotland also plans to relocate its lab as part of this project.

The total cost to Scotland for the second story addition and first floor renovations will exceed \$2 million and is currently estimated to be \$20,539,470, which includes the cost of design, construction, furniture, fixtures, and other miscellaneous costs. A capital cost estimate form is attached as Exhibit 4 to show the estimated capital costs associated with this project.

The project does not include a change in bed capacity as defined by N.C. Gen. Stat. §131E-176(5), the addition of a health service facility, an increase in the number of operating rooms or gastrointestinal endoscopy rooms, the acquisition of major medical equipment, a change in a CON approved project, or any other new institutional health service for which a CON would be required.

Pursuant to N.C. Gen. Stat. §131E-184(g), we request that you confirm in writing that Scotland's proposed project involving the construction of a second floor to house its ICU and PCU and the renovation of its first floor at its existing, licensed hospital on its main campus is exempt from certificate of need review. Please let me know if you have questions or need any additional information.

With kindest regards, I am

Very truly yours,

SMITH MOORE LEATHERWOOD LLP



Terrill Johnson Harris

Enclosures

cc: Bebe Holt (w/enclosures)

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

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

*to operate a hospital known as
Scotland Memorial Hospital
located in Laurinburg, North Carolina, Scotland 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: 933446

License Number: H0107

Bed Capacity: 104

General Acute 97, Rehabilitation 7,

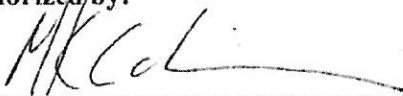
Dedicated Inpatient Surgical Operating Rooms: 1

Dedicated Ambulatory Surgical Operating Rooms: 0

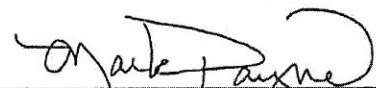
Shared Surgical Operating Rooms: 5

Dedicated Endoscopy Rooms: 2

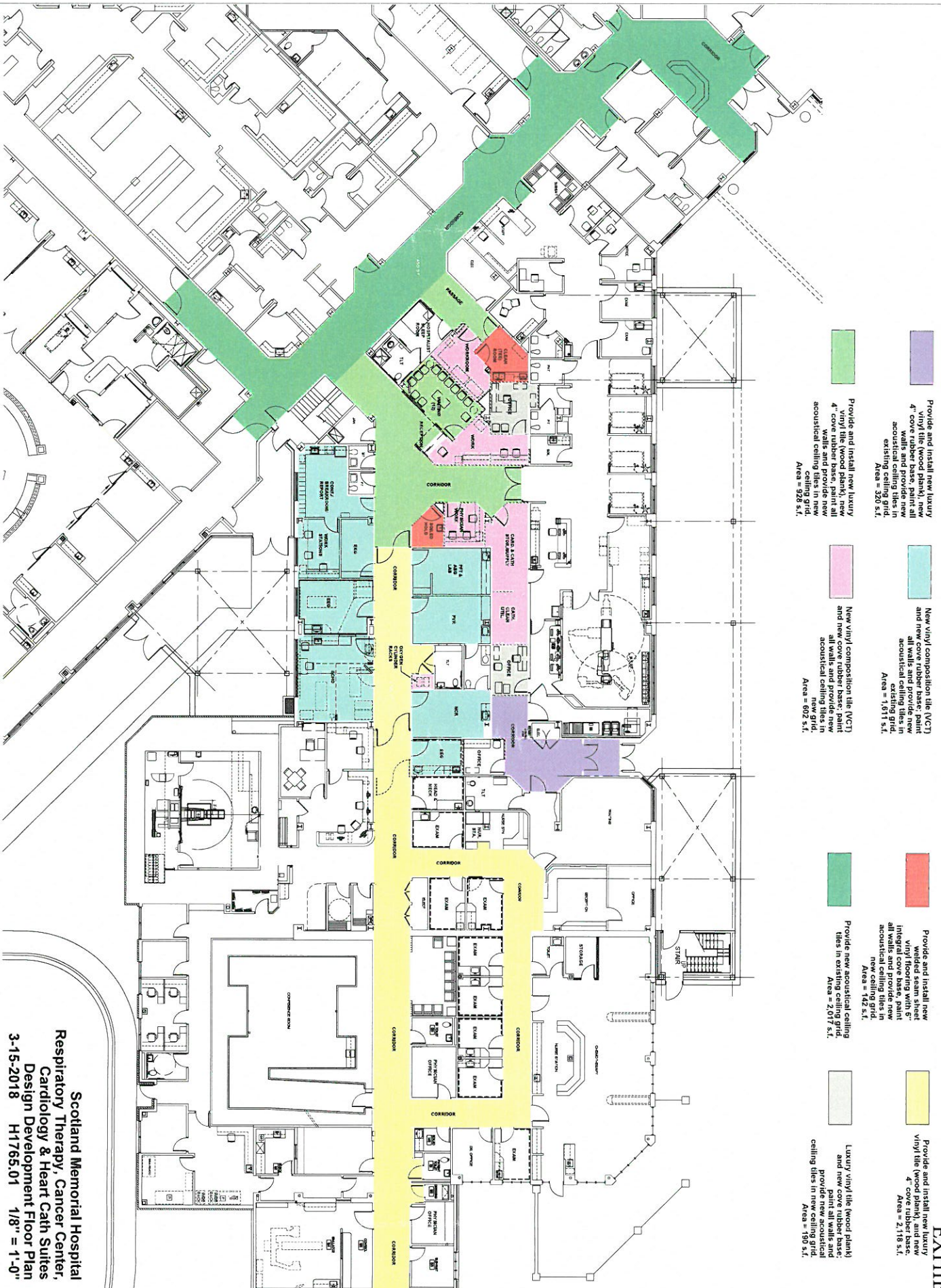
Authorized by:



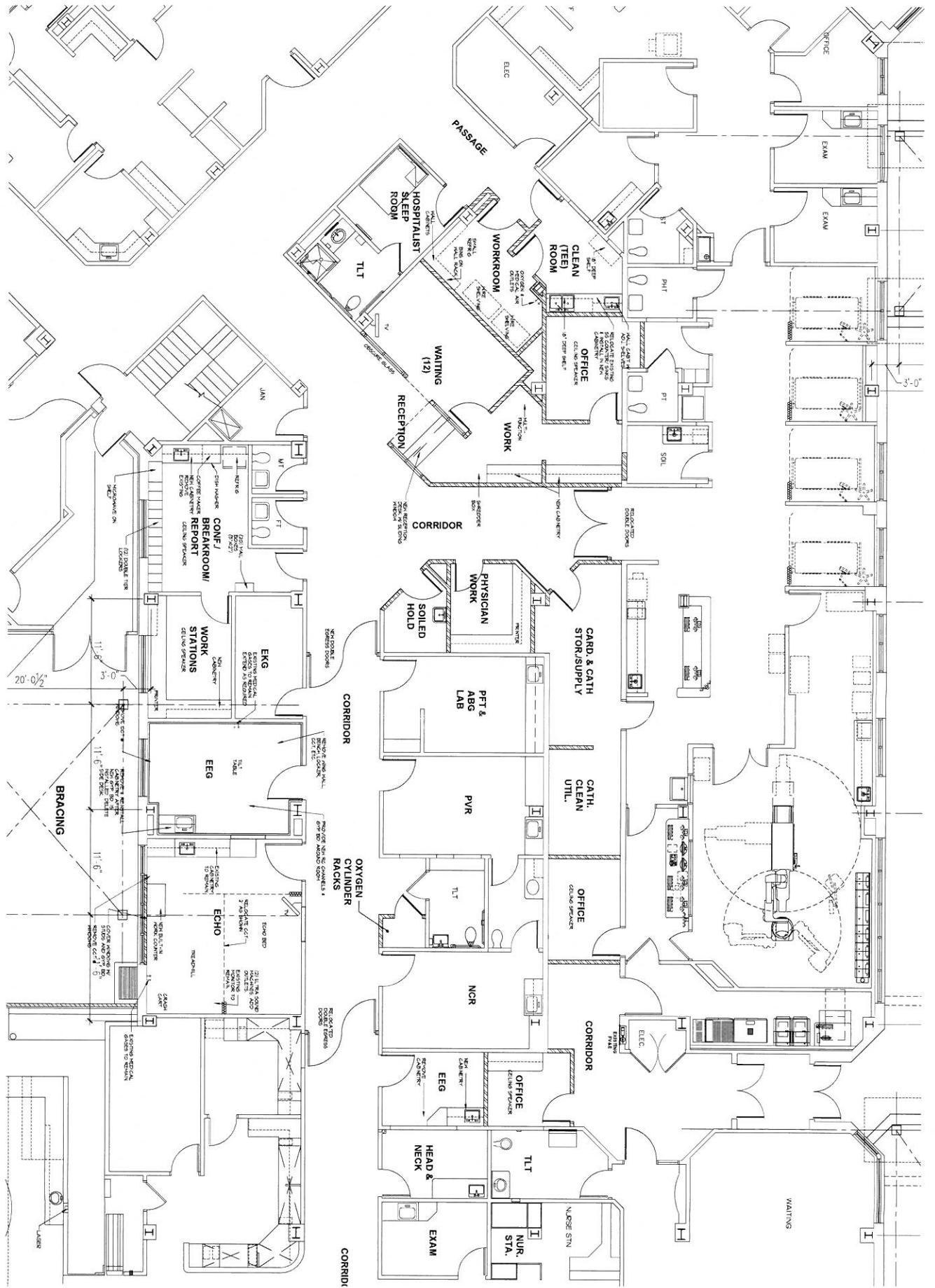
Secretary, N.C. Department of Health and
Human Services



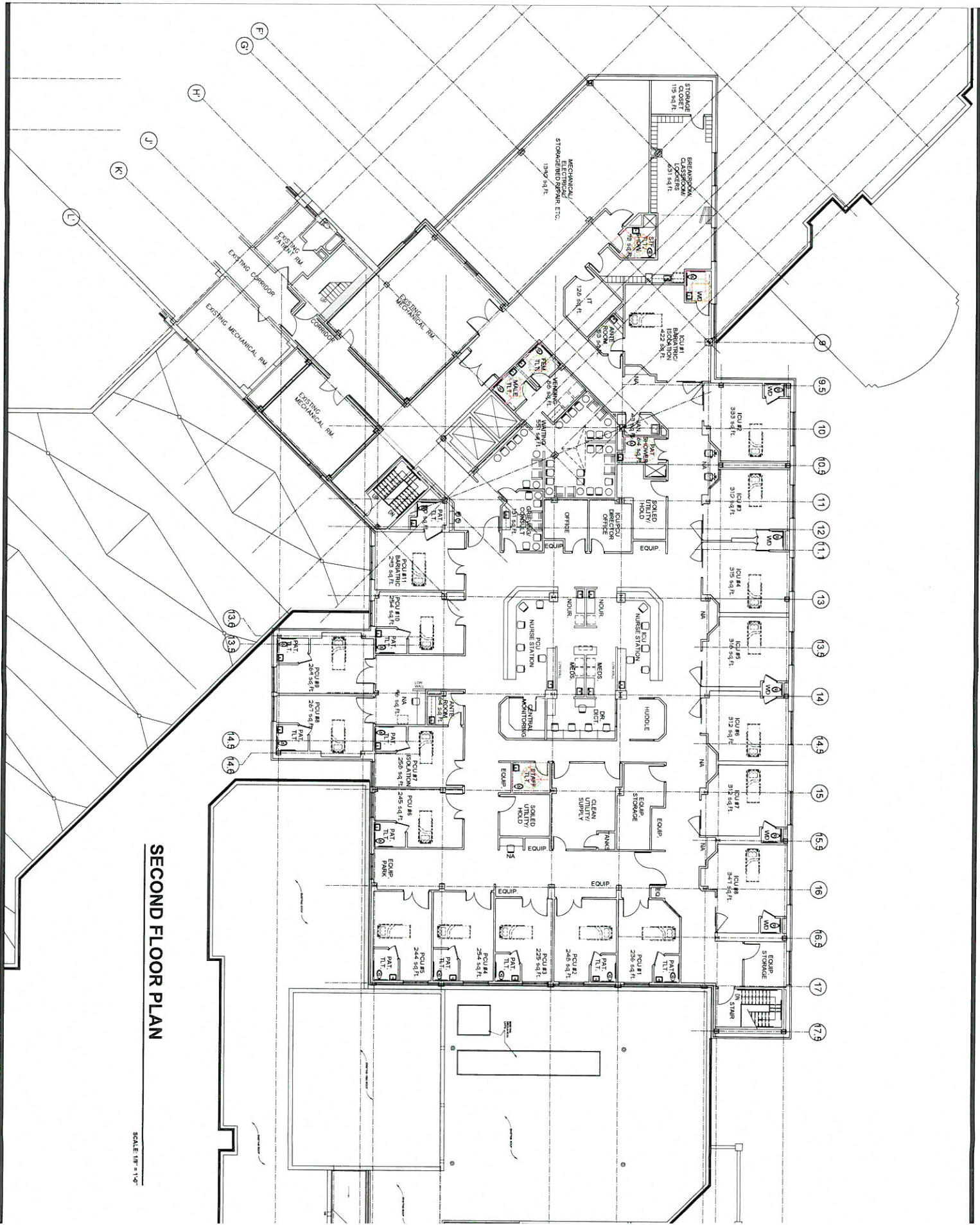
Director, Division of Health Service Regulation



Scotland Memorial Hospital
 Respiratory Therapy, Cancer Center,
 Cardiology & Heart Cath Suites
 Design Development Floor Plan
 3-15-2018 H1765.01 1/8" = 1'-0"



1 FLOOR PLAN
 AND SCALE: 1/4" = 1'-0"



SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"

PROPOSED CAPITAL COSTS

Project Name: New ICU & PCU Expansion and First Floor Renovations

Proponent: Scotland Memorial Hospital

A. Site Costs

(1)	Full purchase price of land	\$ _____
	Acres _____ Price per Acre	\$ _____
(2)	Closing costs	\$ _____
(3)	Site Inspection and Survey	\$ _____
(4)	Legal fees and subsoil investigation.	\$ _____
(5)	Site Preparation Costs	
	Soil Borings	\$ 14,000.00
	Clearing-Earthwork	\$ _____
	Fine Grade For Slab	\$ (Included in Const. \$)
	Roads-Paving (Parking Lot)	\$ 105,000.00
	Concrete Sidewalks	\$ (Included in Parking \$)
	Water and Sewer	\$ _____
	Footing Excavation	\$ (Included in Const. \$)
	Footing Backfill	\$ (Included in Const. \$)
	Termite Treatment	\$ (Included in Const. \$)
	Other (Specify)	\$ _____
	Sub-Total Site Preparation Costs	\$ 119,000.00
(6)	Other (Specify)	\$ _____
(7)	Sub-Total Site Costs	\$ 119,000.00

B. Construction Contract

(8)	Cost of Materials	\$ 6,505,700.00
	General Requirements	\$ _____
	Concrete/Masonry	\$ _____
	Woods/Doors & Windows/Finishes	\$ _____
	Thermal & Moisture Protection	\$ _____
	Equipment/Specialty Items	\$ _____
	Mechanical/Electrical	\$ _____
	Other (Specify)	\$ _____
	Sub-Total Cost of Materials	\$ 6,505,800.00
(9)	Cost of Labor	\$ 9,758,700.00
(10)	Other (Specify)	\$ _____
(11)	Sub-Total Construction Contract	\$ 16,264,500.00

C. Miscellaneous Project Costs

(12)	Building Purchase	\$ _____
(13)	Fixed Equipment Purchase/Lease	\$ _____
(14)	Movable Equipment Purchase/Lease	\$ 1,473,210.00
(15)	Furniture	\$ 654,760.00
(16)	Landscaping	\$ _____
(17)	Consultant Fees	
	Architect and Engineering Fees	\$ 982,170.00

