



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

October 2, 2018

Catharine W. Cummer
3100 Tower Blvd. Suite 1300
Durham, NC 27707

Exempt from Review

Record #: 2719
Facility Name: Duke University Hospital
FID #: 943138
Business Name: Duke University Health System, Inc.
Business #: 640
Project Description: Renovate pharmacy
County: Durham

Dear Ms. Cummer:


The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of September 25, 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,


Bernetta Thorne-Williams
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

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



Catharine W. Cummer
Regulatory Counsel, Strategic Planning



September 25, 2018

Via Electronic Mail

Ms. Martha Frisone
Ms. Bernetta Thorne-Williams
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Exempt Renovation Project at Duke University Hospital

Dear Ms. Frisone and Ms. Thorne-Williams:

The purpose of this letter is to provide written notice of planned renovation activities on the Duke University Hospital main campus that will cost more than \$2 million. The project includes the renovation of the outpatient retail pharmacy in Duke South, due to a fire earlier this year. The pharmacy is currently operated in temporary space.

Because this renovation is needed to replace or repair facilities destroyed or damaged by a fire, we believe this project is exempt from certificate of need review pursuant to N.C.G.S. 131E-184(a)(5).

In addition, this project would be exempt under Section 131E-184(g), which provides that "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 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 G.S.

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Ms. Thorne-Williams
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131E-184 documentation to demonstrate that it meets the exemption criteria of this subsection.”

As set forth below, we believe that Duke University Hospital’s project is exempt from certificate of need review.

(1) Main Campus

The purpose of this project is facility renovation on the “main campus” of Duke University Hospital. The “main campus” of the facility is defined in N.C.G.S. 131E-176(14n) to include both “[t]he 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” and “[o]ther areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building.” In this case, Duke University Hospital is a licensed health service facility, and the main hospital building from which Duke University Hospital provides its clinical services and exercises financial and administrative control is the physically contiguous structure that includes Duke South, Duke North, the Duke Children’s Hospital, the Duke Medical Pavilion, the Morris Clinic, the Duke Cancer Center, the Wadsworth Building, and the new Hudson Building. The hospital’s construction plans detailing the planned project and its location in Duke South are included with this submission.

(2) No New Institutional Health Services

The sole purpose of the project at this time is to renovate a portion of the existing health service facility to accommodate existing services. This project will not change Duke’s existing bed capacity or inventory of regulated assets or otherwise constitute any other new institutional health service.

(3) Prior Written Notice

Please let this letter serve as the required prior written notice of this project.

Thank you for your attention to this request. If you have questions about this information, please let me know.

Very truly yours,



Catharine W. Cummer

Enclosures

Effective January 01, 2018, this license is issued to
Duke University Health System, Inc.

to operate a hospital known as
Duke University Hospital
located in Durham, North Carolina, Durham 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: 943138
License Number: H0015

Bed Capacity: 957
General Acute 938, Psych 19,

Dedicated Inpatient Surgical Operating Rooms: 6
Dedicated Ambulatory Surgical Operating Rooms: 9
Shared Surgical Operating Rooms: 50
Dedicated Endoscopy Rooms: 11