

NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

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

March 22, 2019

Elizabeth Frock Runyon  
211 Friday Center Drive, Suite G014  
Chapel Hill, NC 27517

**Exempt from Review**

**Record #:** 2904  
**Facility Name:** UNC Hospitals  
**FID #:** 923517  
**Business Name:** UNC Hospitals at Chapel Hill  
**Business #:** 1900  
**Project Description:** Renovate and upgrade existing inpatient units on the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> floors of the Neurosciences Hospital  
**County:** Orange

Dear Ms. Runyon:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of February 28, 2019, 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

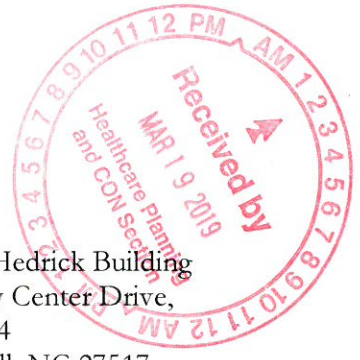
cc: Construction Section, DHSR  
Acute and Home Care Licensure and Certification Section, DHSR

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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



James T. Hedrick Building  
211 Friday Center Drive,  
Suite G014  
Chapel Hill, NC 27517

February 28, 2019

VIA ELECTRONIC MAIL

Ms. Bernetta Thorne-Williams  
Healthcare Planning and Certificate of Need Section  
Division of Health Service Regulation, DHHS  
2704 Mail Services Center  
Raleigh, NC 27699-2704  
bernetta.williams@dhhs.nc.gov

Re: Notification of Exemption / Upgrade of Neurosciences Unit / UNC Hospitals Main  
Campus / FID # 932517 / Orange County  
923517

Dear Ms. Thorne-Williams:

UNC Hospitals is providing this prior written notice of a project exempt from review regarding renovation and upgrade of inpatient units in its Neurosciences Hospital on UNC Hospitals' main campus in Chapel Hill.

This exemption is pursuant to the Main Campus Exemption provision of N.C. Gen. Stat. § 131E-184(g), which provides that:

*(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 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.*

According to N.C. Gen. Stat. § 131E-176(14n), "main campus" means all of the following for 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.*

This project meets all criteria outlined above for the Main Campus Exemption to CON Law. Specifically, the sole purpose of the capital expenditure is to renovate and upgrade the existing inpatient units in the Neurosciences Hospital to comply with Joint Commission Anti-Ligature guidelines. For patient safety, renovations will be made to toilets, handrails, and other features of inpatient rooms.

Please see Exhibit 1 for a floorplan showing the location of this space within the hospital, which is on the third, fourth, and fifth floors of the Neurosciences Hospital. The upgraded space will improve conditions for these psychiatric inpatients and remove potential risks, in compliance with the applicable guidance. The capital expenditure will not result in any change in bed capacity or add any other health service facility or new institutional health service. Finally, this correspondence serves as prior written notice of UNC Hospitals' intention to incur the capital expenditure for this renovation.

The renovation is planned for the Neurosciences Hospital, which is on UNC Hospitals main campus, and which is the site of the main building from which UNC Hospitals provides clinical patient services and exercises financial and administrative control over the entire facility. UNC Hospitals anticipates that it will spend approximately \$4 million for the necessary renovations and upgrades.

In consideration of the above, we understand that this project is exempt from CON review, and UNC Hospitals is requesting confirmation that the proposed main campus renovation/upgrade is exempt from CON review pursuant to §NCGS. 131E-184(g).

Please do not hesitate to contact me at 984-215-3622 if you need any additional information. Thank you for your prompt consideration of this matter.

Sincerely,



Elizabeth Runyon  
System Director of Regulatory Affairs  
UNC Health Care

NEUROSCIENCES HOSPITAL  
3<sup>RD</sup> FLOOR

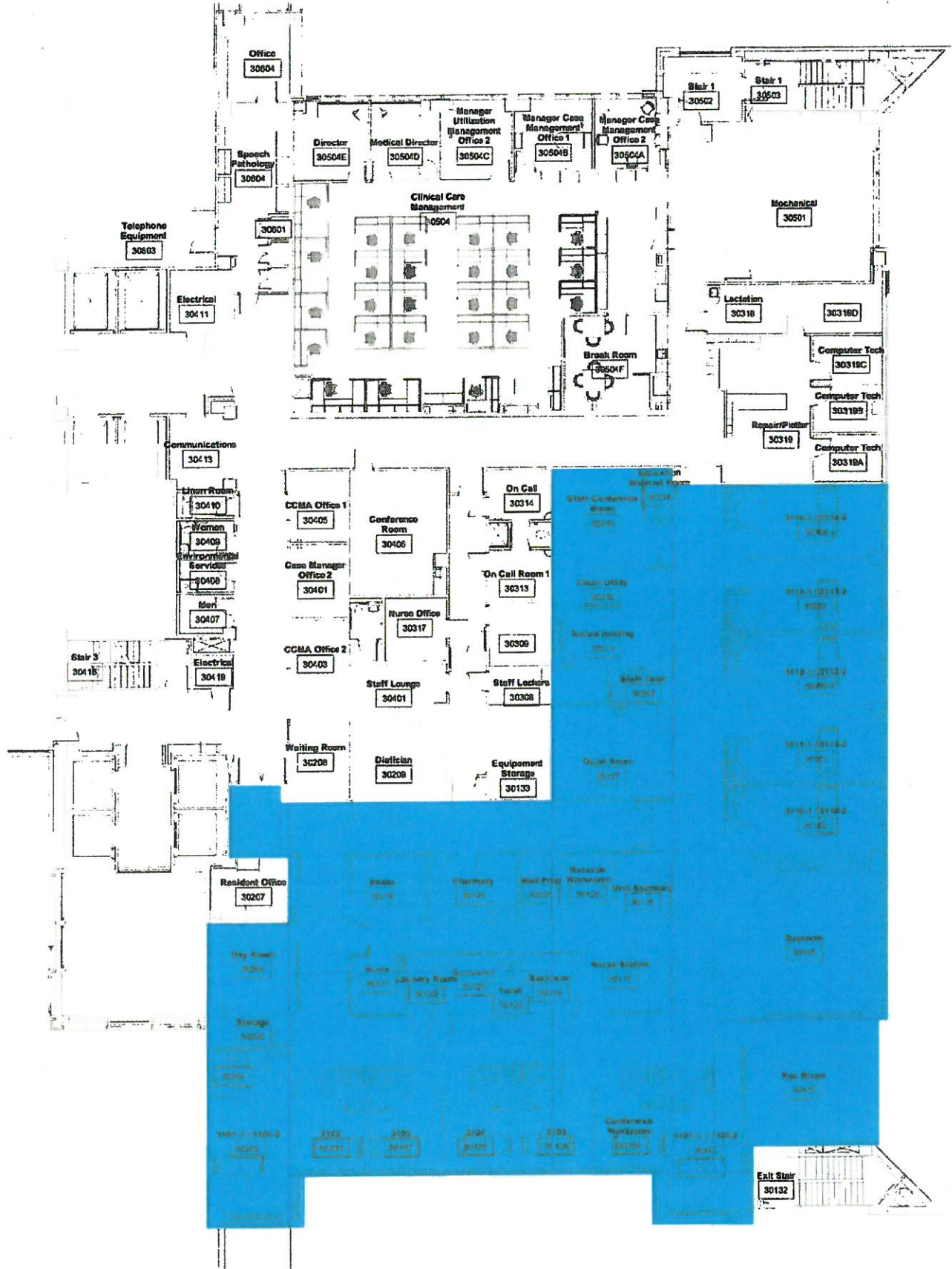
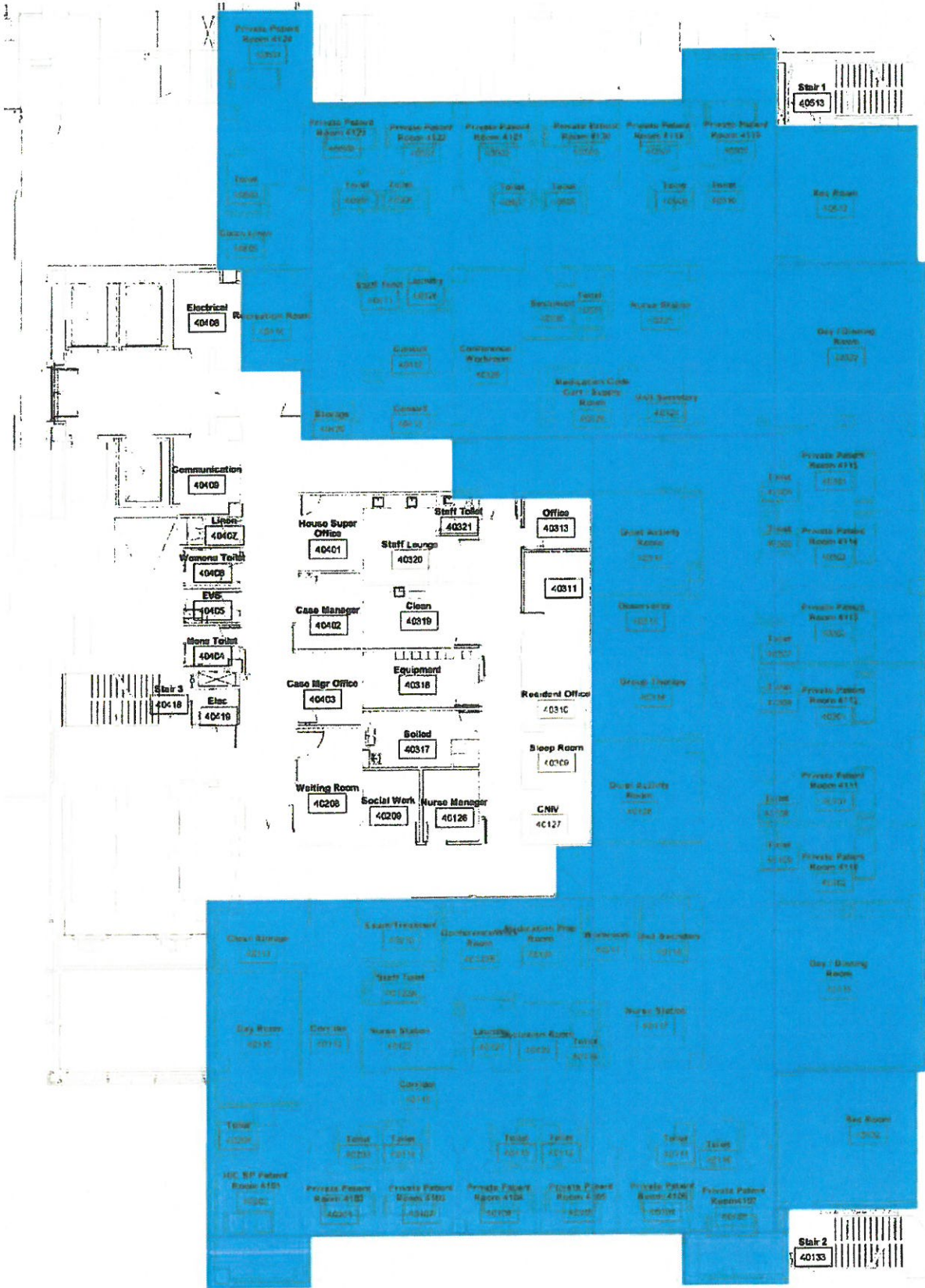
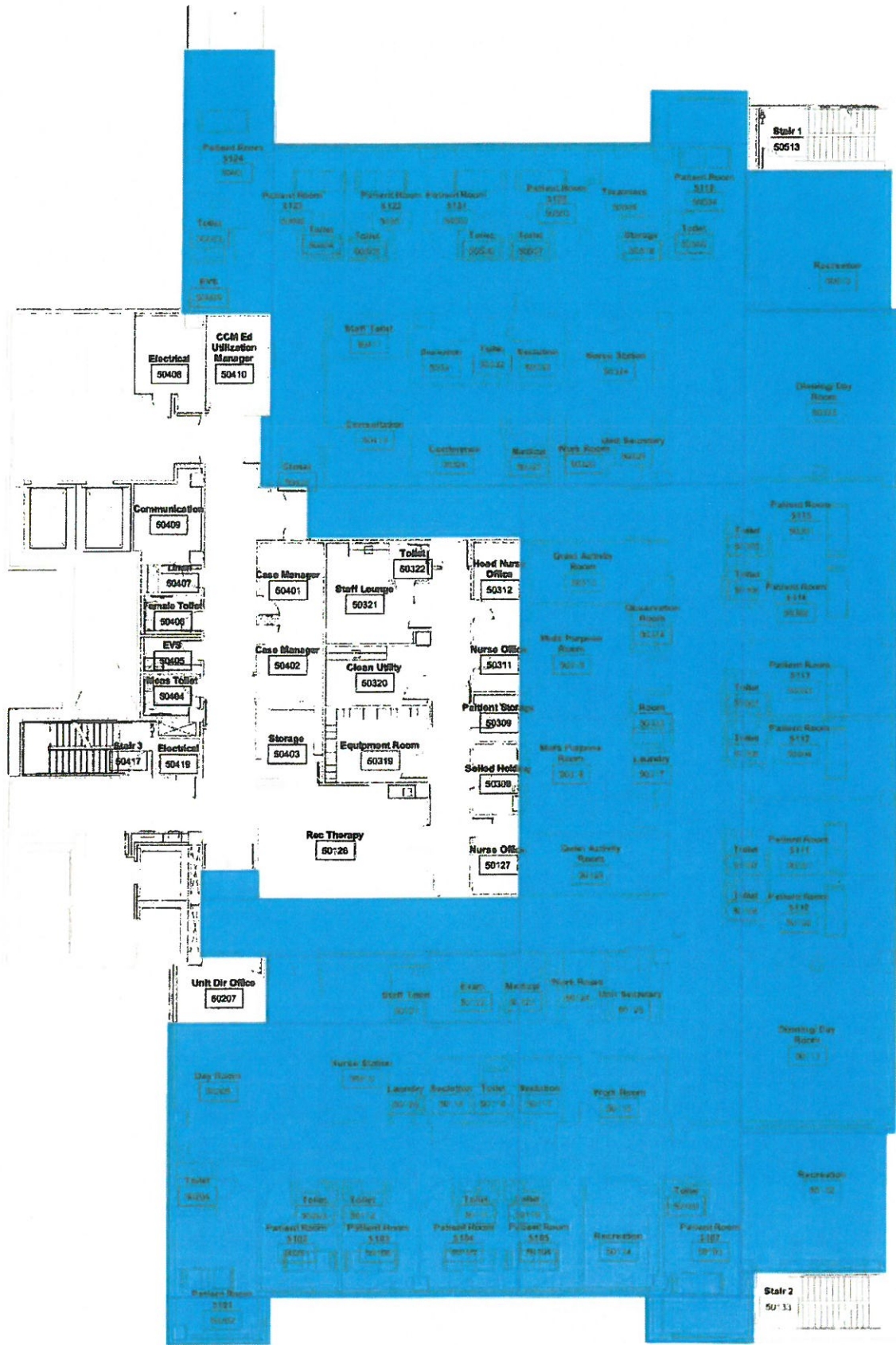


Exhibit 1

NEUROSCIENCES HOSPITAL  
4TH FLOOR



NEUROSCIENCES HOSPITAL  
5TH FLOOR



*Effective January 01, 2019, this license is issued to  
**University of North Carolina Hospitals at Chapel Hill***

*to operate a hospital known as  
**University of North Carolina Hospitals**  
located in Chapel Hill, North Carolina, Orange 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: 923517*

*License Number: H0157*

***Bed Capacity: 916***

*General Acute 810, Rehabilitation 30 , Psych 76,*

**Dedicated Inpatient Surgical Operating Rooms: 6**

**Dedicated Ambulatory Surgical Operating Rooms: 11**

**Shared Surgical Operating Rooms: 29**

**Dedicated Endoscopy Rooms: 9**