

NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

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

May 16, 2019

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

Exempt from Review

Record #: 2933
Facility Name: UNC Hospitals
FID #: 923517
Business Name: UNC Hospitals at Chapel Hill
Business #: 1900
Project Description: Upgrade Nurse Call System
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 May 7, 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

May 7, 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 Nurse Call System / 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 an upgrade to its nurse call system 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 upgrade the existing nurse call system to include new hardware for integration with the phone system.

The upgraded nurse call system will enhance patient safety and facilitate communication with patients. 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 upgrade.

The nurse call system upgrade is planned for UNC Hospitals main campus, 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 \$18,325,079 for the necessary upgrades. A cost estimate is attached as Exhibit 1.

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 upgrade is exempt from CON review pursuant to N.C. Gen. Stat. § 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
Strategic Planning
UNC Health Care

2019.4.18 UNC Hospitals – Nurse Call System Upgrades Project
Capital Cost Estimate Form for CON Application

Dewberry-Monteith-Systems Electronics

A. Site Costs - No site costs included in the scope of work for this project.		
(1) Full purchase price of land		Not Applicable
Acres N/A Price per Acre N/A		Not Applicable
(2) Closing costs		Not Applicable
(3) Site Inspection and Survey		Not Applicable
(4) Legal fees and subsoil investigation		Not Applicable
(5) Site Preparation Costs		Not Applicable
Soil Borings		Not Applicable
Clearing - Earthwork		Not Applicable
Fine Grade for Slab		Not Applicable
Roads - Paving		Not Applicable
Concrete Sidewalks		Not Applicable
Water and Sewer		Not Applicable
Footing Excavation		Not Applicable
Footing Backfill		Not Applicable
Termite Treatment		Not Applicable
Other (Specify)		Not Applicable
Sub-Total Site Preparation Costs		Not Applicable
(6) Other (Specify)		Not Applicable
(7) Sub-Total Site Costs		Not Applicable - \$0
B. Construction Contract		
(8) Cost of Materials		
General Requirements	\$2,368,351	
Concrete/Masonry	Not Applicable	
Finishes	\$335,200	
Moisture Protection	Not Applicable	
Equipment/Specialty Items	Not Applicable	
Mechanical/Electrical	\$4,130,000	
(9) Other (Specify)		
Firestopping	\$123,900	
Demolition	\$413,000	
Window Upgrade	Not Applicable	
HVAC Upgrade	Not Applicable	
(10) Sub-Total Construction Contract	\$7,370,451	
C. Miscellaneous Project Costs		
(11) Building Purchase	Not Applicable	
(12) Fixed Equipment Purchase (NC Systems)	\$7,080,000	
(13) Movable Equipment Purchase	Not Applicable	
(14) Furniture	Not Applicable	
(15) Landscaping	Not Applicable	
(16) Consultant Fees		
Architect and Engineering Fees	\$1,484,400	
Legal Fees	Not Applicable	
Market Analysis	Not Applicable	
Other (Structural fee)	Not Applicable	
Other (Specify)	Not Applicable	
(17) Financing Costs (e.g. Bond, Loan, etc.)	Not Applicable	
(18) Interest During Construction	Not Applicable	
(19) Other (Contingency 15%)	\$2,390,228	
(20) Sub-Total Miscellaneous	Not Applicable	
(22) Total Capital Cost of Project (Sum A-C above)		\$18,325,079

I certify that, to the best of my knowledge based on available scope information at pre-schematic design phase, the above construction related costs of the UNC Hospitals – Nurse Call System Upgrades project are complete and correct.

J. Alex Harwell, CHC & Sidney Mitchell, PE
Dewberry Engineers, Inc.

2019.4.18





Dewberry Engineers Inc. | 919.881.9939
 2610 Wycliff Road, Suite 410 | 919.881.9923 fax
 Raleigh, NC 27607 | www.dewberry.com

April 18th, 2019

University of North Carolina Hospitals
 Attn: Ms. Cleopatrice Robinson
 Sr. Maintenance Project Manager
 101 Manning Drive
 Chapel Hill, NC 27514

via Email
 Cleopatrice.Robinson@unhealth.unc.edu

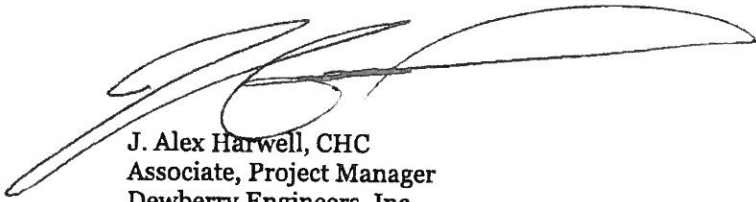
RE: UNC Hospitals – Nurse Call Upgrades

Dear Ms. Robinson,


This is to certify that our office has provided the Proposed Total Capial Cost of Project for the UNC Nurse Call Upgrades project from estimates provided by Systems Electronics and Monteith Construction based on the available schematic design completed to date. We believe this estimate is reasonable based on currently developed scope of work and general methods of construction cost estimation.

Total Construction	\$7,370,481
Design Fees	\$1,484,400
<u>Project Contingency</u>	<u>\$2,390,228</u>
UNC Hospitals Project Budget	\$18,325,079

Sincerely,



J. Alex Harwell, CHC
 Associate, Project Manager
 Dewberry Engineers, Inc.



Sidney Mitchell, PE
 Sr. Electrical Engineer & Discipline Manager
 Dewberry Engineers, Inc.



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: 923

General Acute 817, Rehabilitation 30 , Psych 76,

Dedicated Inpatient Surgical Operating Rooms: 3

Dedicated Ambulatory Surgical Operating Rooms: 11

Shared Surgical Operating Rooms: 32

Dedicated Endoscopy Rooms: 9