

NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

September 9, 2019

Andrea Gymer
amgymer@novanthealth.org

Exempt from Review

Record #: 3037
Facility Name: Novant Health Matthews Medical Center
FID #: 945076
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Construct a new patient bed and surgical services tower on the main campus
County: Mecklenburg

Dear Ms. Gymer:

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

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
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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

Sincerely,



Julie M. Faenza
Project Analyst



Martha J. Frisone
Chief

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Lisa Griffin, Novant Health (lgriffin@novanthealth.org)

Waller, Martha K

From: Flores, Disraeliza
Sent: Tuesday, September 03, 2019 8:22 AM
To: Waller, Martha K
Subject: FW: [External] Exemption Notice for NH Matthews Medical Center Bed & Surgical Services Tower
Attachments: MMC Bed Tower Exempt Notice 08.30.19 FINAL.pdf

From: Griffin, Lisa L (CON) <lgriffin@novanthealth.org>
Sent: Friday, August 30, 2019 8:40 PM
To: Frisone, Martha <martha.frisone@dhhs.nc.gov>
Cc: Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>; Flores, Disraeliza <Disraeliza.Flores@dhhs.nc.gov>; Cremeens, Cameron L <clcremeens@novanthealth.org>; Gymer, Andrea M <amgymer@novanthealth.org>
Subject: [External] Exemption Notice for NH Matthews Medical Center Bed & Surgical Services Tower

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Ms. Frisone,

Attached is an exemption notice for Novant Health Matthews Medical Center related to the construction of a bed & surgical services tower on its campus in Matthews, NC, in Mecklenburg County.

Please confirm receipt and let me know if you have any questions.

Thank you,

Lisa Griffin

Manager, CON/Operational Planning
Novant Health
Phone: (704) 384 - 3462

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August 30, 2019

VIA EMAIL

Ms. Martha Frisone, Chief
Healthcare Planning and Certificate of Need
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603



2085 Frontis Plaza Boulevard
Winston-Salem, NC 27103

**Re: Novant Health Matthews Medical Center
Notice of Exemption for Patient Bed & Surgical Services Tower
Matthews, North Carolina (FID # 945076; Mecklenburg County)**

Dear Ms. Frisone:

This letter serves as notice of Novant Health Matthews Medical Center's (NHMMC) intention to construct a new patient bed and surgical services tower on its main campus located in Matthews, North Carolina. This new building will comprise three (3) stories and be approximately 147,000 square feet. The new tower will be located on NHMMC's main campus on the south side, adjacent to the Emergency Department. The new tower is approximately ten (10) yards from NHMMC and will be connected to the existing hospital via connector hallways. See Attachment A for a site map of the NHMMC campus indicating the location of the new tower. The total capital costs of the new tower is estimated to be \$114,450,310. A Project Capital Costs Summary and a certified architect's letter are included as Attachment B.

The new patient bed and surgical services tower will be comprise the following:

- First Floor - Surgical & GI-Endoscopy Services
- Second Floor - 18 Replacement Beds and 6 Observation Beds
- Third Floor - Shelled Space

Surgical and GI-Endoscopy services will occupy the First Floor. NHMMC intends to relocate six (6) existing licensed operating rooms and three (3) existing licensed GI-endoscopy rooms from NHMMC to the first floor of the new tower. This floor will also include all necessary support space and pre/post recovery for the operating and GI-endoscopy rooms.

NHMMC will relocate five (5) existing licensed acute care beds from the hospital's 3rd floor Medical-Surgical Unit, five (5) existing licensed acute care beds from the hospital's 4th floor Medical-Surgical Unit, and eight (8) existing licensed acute care beds from the hospital's 2nd floor Womens Services Unit to the second floor of the new tower for a total of eighteen (18) licensed acute care beds. NHMMC also plans to add six (6) unlicensed observation beds on the second floor of the new tower. Refer to Attachment C for a copy of NHMMC's current hospital license.

Ms. Martha Frisone

NHMMC Notice of Exemption for Patient Bed & Surgical Services Tower

Page 2

The project will not increase the number of licensed beds, operating rooms, or other regulated assets. NHMMC will file a certificate of need application for any additional new institutional health services that would be developed in any newly constructed space.

Pursuant to N.C. G. S. §131E-184 (g), "[t]he 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."*

N.C. G. S. §131E-176(14n) states, "*Main campus means all of the following for the 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."*

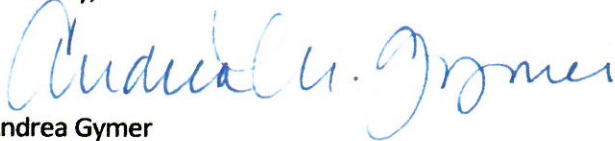
The NHMMC patient bed and surgical services tower project meets each of the applicable conditions set forth above:

- The estimated capital cost of the project exceeds \$2,000,000.
- The sole purpose of the capital expenditure is to expand an existing health service facility, NHMMC, on the main campus located at 1500 Matthews Township Parkway, Matthews, North Carolina, 28105. As is shown on Exhibit A, the new tower will be adjacent to the main building and within 250 yards of the main building.
- The capital expenditure will not result in a change in bed capacity or the addition of a health service facility or any other new institutional health service other than that allowed by G.S. § 131E-176(16)(b).
- This letter constitutes the required prior written notice.
- NHMMC provides clinical patient services and exercises financial and administrative control from its location detailed above. The NHMMC President's office is located on the main floor of the hospital in Administration.

Ms. Martha Frisone
NHMMC Notice of Exemption for Patient Bed & Surgical Services Tower
Page 3

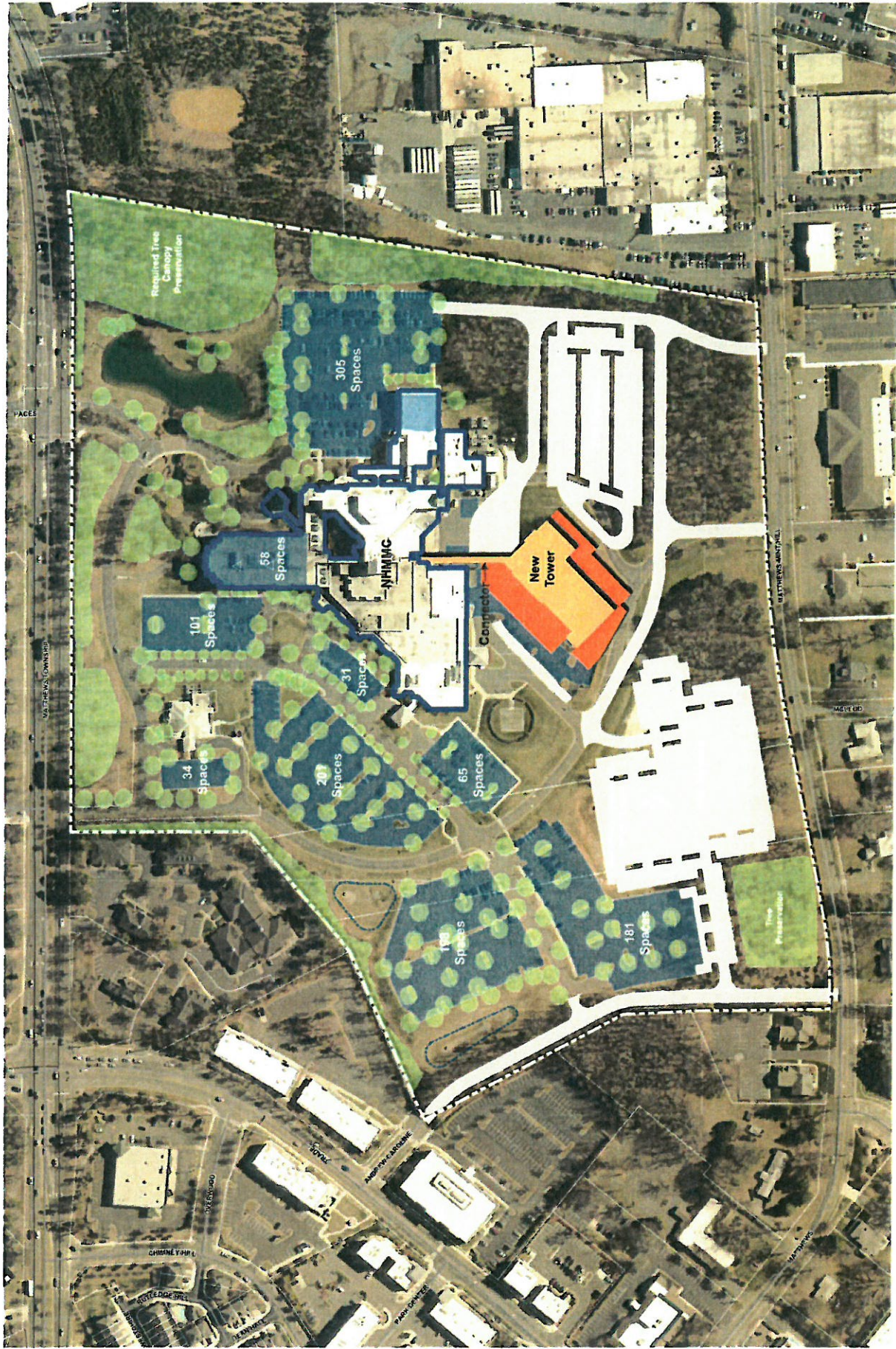
Based on the foregoing, we respectfully request that the CON Section issue written confirmation that this project is exempt from Certificate of Need under N.C.G.S § 131E-184(g). If you have any questions about this project, please contact me at (336) 277 – 1523.

Sincerely,



Andrea Gymer
Vice President, Operational Planning & Innovation
Novant Health, Inc

Attachment A
--Site Map



Novant Health Matthews Medical Center
 New Tower Expansion Site Plan

Attachment B

- **Capital Costs Summary**
- **Certified Architect's Letter**

Projected Capital Cost Form
mmc Bed + Surgical Services Tower

| | |
|-------------------------------------|-----------------------|
| Building Purchase Price | N/A |
| Purchase Price of Land | N/A |
| Closing Costs | N/A |
| Site Preparation | \$7,931,695 |
| Construction/Renovation Contract(s) | \$73,799,307 |
| Landscaping | N/A |
| Architect / Engineering Fees | \$4,086,550 |
| Medical Equipment | \$6,424,060 |
| Non-Medical Equipment | N/A |
| Furniture | \$2,200,000 |
| Consultant Fees (Engineering Fees) | N/A |
| Financing Costs | N/A |
| Interest during Construction | N/A |
| Other : <i>CONTINGENCY + OTHER*</i> | \$20,008,698 |
| Total Capital Cost | \$ 114,450,310 |

CERTIFICATION BY A LICENSED ARCHITECT OR ENGINEER

I certify that, to the best of my knowledge, the projected capital cost for the proposed project is complete and correct for the construction cost.

Sam E. Major Jr
 Signature of Licensed Architect or Engineer

Date Signed: *8/29/18*

CERTIFICATION BY AN OFFICER OR AGENT FOR THE PROPONENT

I certify that, to the best of my knowledge, the projected total capital cost for the proposed project is complete and correct and that is our intent to carry out the proposed project as described.

[Signature]
 Signature of Officer/Agent

Date Signed: *8/29/18*

Vice President Construction + Engineering
 Title of Officer/Agent

* OTHER COSTS: IT, SECURITY SYSTEMS, PERMITS, DNSR REVIEW FEES

100 Queens Road
Suite 200
Charlotte, NC 28204
704/372-2740
www.McCullochEngland.com



August 29, 2019
H1936/17

Lloyd Rader
Director of Corporate Design Services
Novant Health
1900 Randolph Road
Suite 500
Charlotte, NC 28204

Re: Novant Health Matthews Medical Center
Charlotte, North Carolina

Dear Lloyd:

Listed below is a budget cost estimate for the proposed new Clinical Tower for Novant Health. We have met with Cumming, a cost estimating consultant, to help verify the proposed construction costs for this project. This estimate includes the general construction, sitework and infrastructure costs from the Central Energy Plant to serve this proposed tower.

Total General Construction Cost **\$ 81,731,002.00**

Note:

- This cost estimate does not include medical equipment, furniture, artwork or telecommunication equipment.
- The construction cost estimate does not include professional design fees which includes Architectural, Engineering, Interior Design and Kitchen Design Services. Based on the proposed estimated construction cost, we estimated a professional design fee of \$4,086,550.00

If you have any questions, please don't hesitate to call me.

Sincerely,

McCulloch England Associates Architects

A handwritten signature in blue ink that reads 'Larry E. May Jr.'.

Larry E. May Jr, AIA, LEED AP

Executive Vice President

Grace O. Murray AIA
Richard A. Henly AIA
Larry E. May, Jr. AIA
Michael D. Rowell AIA
Ellen S. Standish AIA
Jack L. Gill AIA
Garrett M. Olin AIA
Daniel A. Kinken AIA
Michael K. Satterfield AIA
Amber R. Riddle AIA
Steve A. Assante AIA
Ken Lewis AIA
Scott Barber AIA

An Architectural Corporation



Attachment C
- NHMMC Hospital License

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

*Effective January 01, 2019, this license is issued to
Presbyterian Medical Care Corp.*

*to operate a hospital known as
Novant Health Matthews Medical Center
located in Matthews, North Carolina, Mecklenburg County.*

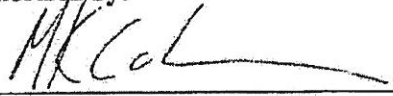
*This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall remain
in effect until amended by the issuing agency.*

*Facility ID: 945076
License Number: H0270*

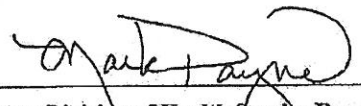
Bed Capacity: 157
General Acute 154, Hospice 3,

Dedicated Inpatient Surgical Operating Rooms: 2
Dedicated Ambulatory Surgical Operating Rooms: 0
Shared Surgical Operating Rooms: 6
Dedicated Endoscopy Rooms: 3

Authorized by:



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



Director, Division of Health Service Regulation