



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

January 30, 2020

Elizabeth Kirkman
Elizabeth.Kirkman@atriumhealth.org

Exempt from Review

Record #: 3189
Facility Name: Carolinas Rehabilitation
FID #: 943092
Business Name: The Charlotte-Mecklenburg Hospital Authority
Business #: 1770
Project Description: Construct a six-story replacement facility with no change in bed capacity
County: Mecklenburg

Dear Ms. Kirkman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of January 16, 2020, 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,

Julie M. Faenza
Julie M. Faenza
Project Analyst

Martha J. Frisone
Martha J. Frisone
Chief

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



# Atrium Health

January 16, 2020

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



**RE: Request for Exemption from Review to Replace Rehabilitation Facility on the Same Site Pursuant to N.C. Gen. Stat. § 131E-184(g)**

Facility Name: Carolinas Rehabilitation  
Facility ID: 943092  
License Number: H0071-C  
County: Mecklenburg

Dear Ms. Frisone:

Please accept this letter as notification of The Charlotte-Mecklenburg Hospital Authority's (CMHA's) intent to replace Carolinas Rehabilitation (CR), an existing rehabilitation facility licensed for 70 rehabilitation beds, on the same site pursuant to N.C. Gen. Stat. § 131E-184(g). CMHA intends to construct a six-story replacement facility to be located on CR's main campus, approximately 103 yards from the existing CR facility. The proposed site plan, attached as Exhibit 1, shows the location of the proposed replacement facility in purple as well as the existing CR facility (shown in an orange dotted line for reference). As indicated on the proposed site plan, CR is located on the same property as Carolinas Medical Center; however, CR is a separately licensed hospital facility, License # H0071-C, and separate campus. The total capital cost of the proposed project is estimated to be \$104,290,000. The services proposed on each floor are as follows:

- Level 1 – Loading Dock and Replacement Therapy Gym, Related Therapy Space, and Building Support
- Level 2 – Replacement Outpatient Clinics, Pharmacy, Warming Kitchen, Physician Offices, and Administration Space
- Level 3 – 24 Replacement Rehabilitation Beds
- Level 4 – 24 Replacement Rehabilitation Beds
- Level 5 – 22 Replacement Rehabilitation Beds
- Level 6 – Roof and Mechanical Space

The total capital cost of the proposed project includes the cost associated with the development of the replacement facility as well as demolition of the existing CR facility.

Under N.C. Gen. Stat. § 131E-184(g), the CON law provides that an applicant's proposal to replace an existing health service facility on the same site that exceeds the \$2,000,000 threshold set forth in N.C. Gen. Stat. § 131E-176(16b), is nonetheless exempt from review if all of the following conditions are met:

- (1) the sole purpose of the capital expenditure is to replace on the same site 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 N.C. Gen. Stat. § 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service other than that allowed in N.C. Gen. Stat. § 131E-176(16)b; and
- (3) the licensed health service facility proposing to incur the capital expenditure provides prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of N.C. Gen. Stat. § 131E-184(g).

Further, pursuant to N.C. Gen. Stat. § 131E-176(14n), "main campus" as referenced in N.C. Gen. Stat. § 131E-184(g), means the following:

- 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 CR replacement facility 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 proposed project is to replace an existing health service facility, CR, on the same site (1000 Blythe Boulevard, Charlotte, NC 28203) where CR provides clinical patient services and exercises financial and administrative control over the entire facility. CR's President's office is located on the first floor of the CR facility. Please see Exhibit 2 for a copy of CR's current hospital license (License # H0071-C, FID # 943092).

The proposed replacement facility will not result in a change (increase or decrease) in total licensed bed capacity as defined in N.C. Gen. Stat. § 131E-176(5) or the addition of a health service facility or any other new institutional health service other than that allowed in N.C. Gen. Stat. § 131E-176(16)b. Further, the proposed replacement facility does not involve the acquisition of any units of major medical equipment or the offering of health services not currently provided. This letter constitutes the required written notice under N.C. Gen. Stat. § 131E-184(g)(3).

Based on the above facts, the proposed project is exempt from Certificate of Need review. We are requesting that you confirm in writing that the proposed replacement of CR described herein is exempt from Certificate of Need review and that CMHA may proceed as planned with this project.

Sincerely,



Elizabeth Kirkman  
Assistant Vice President  
Atrium Health Strategic Services Group

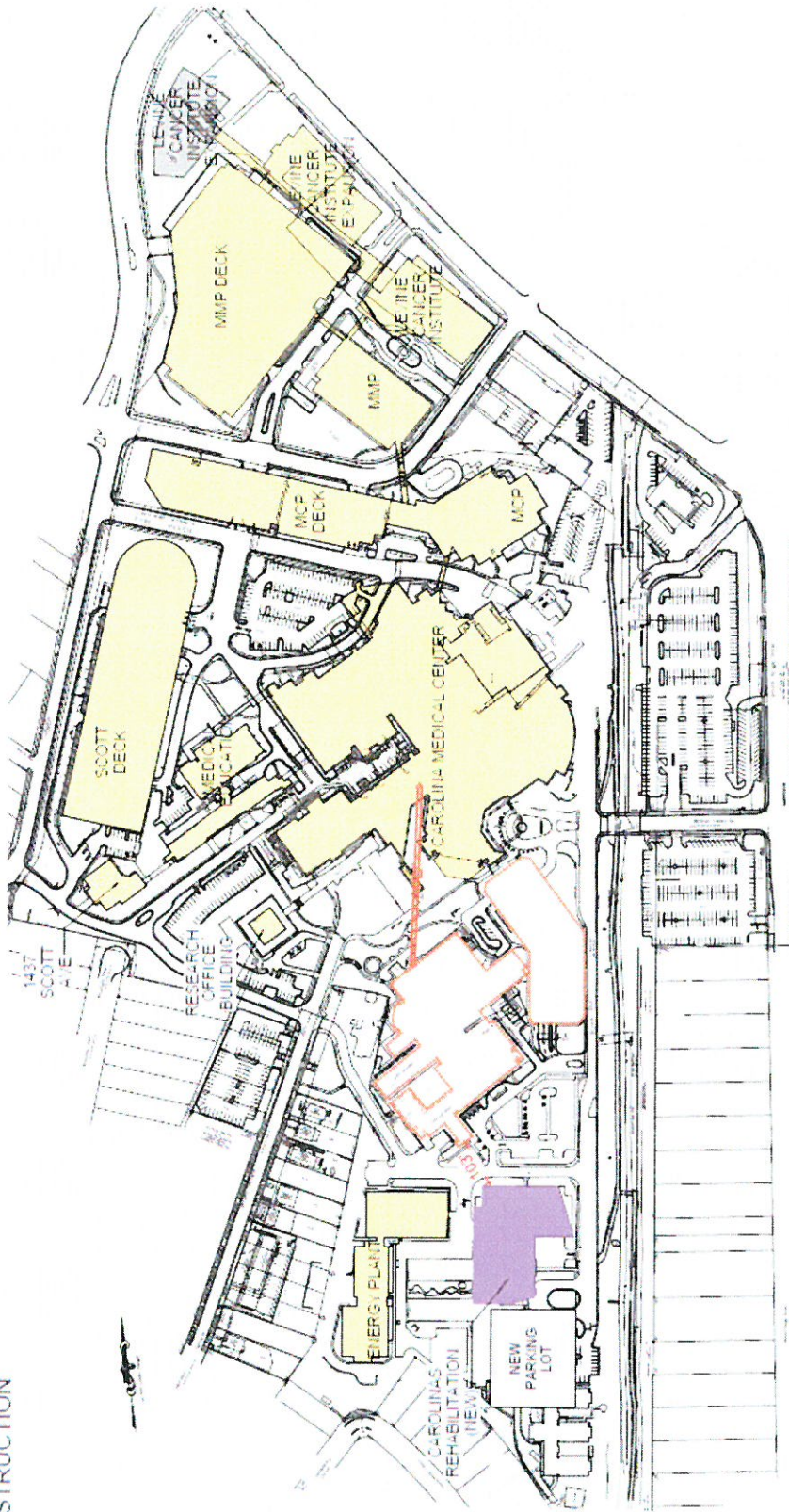
Exhibits

cc: Robert Larrison, President, Carolinas Rehabilitation

**Exhibit 1**  
**Proposed Site Plan**

**COLOR LEGEND**

- EXISTING BUILDING (TO BE DEMOLISHED)
- EXISTING BUILDING
- PROJECT UNDER CONSTRUCTION
- NEW CONSTRUCTION



**PROPOSED SITE PLAN**

Atrium Health

Carolinas Rehabilitation Replacement

Carolinas Rehabilitation



11/10/2022

**Exhibit 2**  
**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  
The Charlotte-Mecklenburg Hospital Authority*

*to operate a hospital known as  
Carolinas Rehabilitation*

*located in Charlotte, 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: 943092*

*License Number: H0071-C*

***Bed Capacity: 70***

*Rehabilitation 70,*

Dedicated Inpatient Surgical Operating Rooms: 0

Dedicated Ambulatory Surgical Operating Rooms: 0

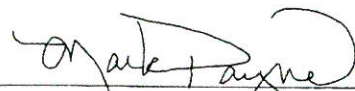
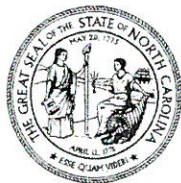
Shared Surgical Operating Rooms: 0

Dedicated Endoscopy Rooms: 0

Authorized by:



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



Director, Division of Health Service Regulation