



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

June 3, 2020

Marisa Barone
mbarone@wakehealth.edu

Exempt from Review

Record #: 3279
Facility Name: North Carolina Baptist Hospital
FID #: 943495
Business Name: North Carolina Baptist Hospital
Business #: 1819
Project Description: Renovations to 11 Reynolds Tower and 6 Ardmore Tower East on main campus
County: Forsyth

Dear Ms. Barone:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter dated May 26, 2020 and received on June 2, 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,

Celia C. Inman
Celia C. Inman
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

From: [Inman, Celia C](#)
To: [Waller, Martha K](#)
Subject: FW: [External] NCBH Request for Confirmation on CON Exemption
Date: Tuesday, June 2, 2020 11:37:33 AM
Attachments: [image001.png](#)
[20200526_NCBH Renovation Letter.pdf](#)

Please record this request. I named it (I think correctly) and put a copy in my Administrative Determinations folder.

Thanks,

Celia C. Inman

Project Analyst, Certificate of Need

[Division of Health Service Regulation](#), Healthcare Planning and Certificate of Need Section
[NC Department of Health and Human Services](#)

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#StayStrongNC and get the latest at nc.gov/covid19.

Office: 919-855-3873

celia.inman@dhhs.nc.gov

809 Ruggles Drive, Edgerton
2704 Mail Service Center
Raleigh, NC 27603

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From: Anna Post Mickleberry <apost@wakehealth.edu>
Sent: Tuesday, June 2, 2020 11:14 AM
To: Inman, Celia C <celia.inman@dhhs.nc.gov>
Cc: Jena Folger <jefolger@wakehealth.edu>; Marisa A. Barone <mbarone@wakehealth.edu>
Subject: [External] NCBH Request for Confirmation on CON Exemption

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

Hi Celia,

I hope this email finds you well. On behalf of NCBH, we would like to submit the attached letter and request for confirmation on CON exemption for renovations to 11th floor of Reynolds Tower and 6th floor of Ardmore Tower East. Please do not hesitate to reach out to me with any questions.

Thank you for your consideration.

Kind Regards,
Anna

Anna Mickleberry, MHA
Director, Network Strategy & Business Development



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May 26, 2020

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

Re: North Carolina Baptist Hospital (FID # 943495 Lic # H0011) Request for Confirmation on CON Exemption, Renovations to 11 Reynolds Tower and 6 Ardmore Tower East

Dear Ms. Frisone and Ms. Inman,

Pursuant to N.C.G.S. § 131E-184(g), Exemptions from Certificate of Need Review, I am writing to request confirmation that the project described below for North Carolina Baptist Hospital (“NCBH”) is exempt from review.

NCBH intends to renovate the **11th floor of Reynolds Tower (“11 RT”) and the 6th floor of Ardmore Tower East (“6 ATE”)**. The 11th floor of Reynolds Tower is currently utilized as an observation unit and comprises zero licensed general acute care beds. The 6th floor of Ardmore Tower East currently comprises nine licensed general acute care beds and is utilized as a neonatal intensive care unit (“NICU”). The licensed general acute care beds are distributed as follows:

Table 1

Licensed General Acute Care Bed Count

11 RT, 6 ATE

11 RT	0 Licensed General Acute Care Beds
6 ATE	9 Licensed General Acute Care Beds

At completion of the renovation project, the newly renovated 11th floor of Reynolds Tower will include a total of 26 licensed general acute beds and will be utilized as a NICU. The newly renovated 6th floor of Ardmore Tower East will include an additional 15 licensed general acute beds, for a total of 24 licensed general acute care beds, and will be utilized as a General Medicine unit.

In total, the 41 licensed general acute care beds that will be added to 11 RT (+26 beds) and 6 ATE (+15 beds) will be relocated from the following areas:

- 10th floor Ardmore Tower East (“10 ATE”)
- 5th floor North Tower (“5 NT”)
- 6th floor Ardmore Tower West (“6 ATW”)
- 9th Floor North Tower (“9 NT”)

Additionally, the 4th floor of North Tower (“4 NT”) will gain one licensed bed as a result of these relocations; no renovations will be required for the addition of this bed to 4 NT.

Consistent with our Master Facilities Plan, the table below illustrates the relocations of the impacted beds and the net impact on the licensed general acute beds upon project completion. 10 ATE will be vacant and contain no licensed acute care beds at the completion of this project. A portion of 5 NT will be used as an observation unit. **Exhibit 1** includes a NCBH bed stacking diagram which outlines the current and planned locations of all NCBH licensed beds.

Table 2
Licensed Acute Care Beds on Impacted Units
Current State and Future State

Location	Current State	Future State at Project Completion	Net Change (Post Renovations – Current)
10 ATE	26	0	-26
5 NT	21	9	-12
6 ATW	27	25	-2
9 NT	26	24	-2
11 RT	0	26	26
6 ATE	9	24	15
4 NT	13	14	1
Total General Acute Care Beds:	122	122	0

The need for renovations to 11th floor Reynolds Tower and 6th floor Ardmore Tower East are a result of Wake Forest Baptist Medical Center (WFBMC) master facility planning. Renovations are required for the following reasons:

- 11 Reynolds Tower: 11 Reynolds Tower will be renovated to create a 26 acute care licensed bed unit to support volume growth, consistent with the NCBH master facility plan.
- 6 Ardmore Tower East: 6 Ardmore Tower East has not been renovated since it was originally constructed in 1996; it will be renovated to create a 24 licensed bed medical/surgical unit.

NCBH believes this project is exempt from review, as described below. Pursuant to N.C.G.S. § 131E-184(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.*

The sole purpose of the renovations to 11 RT and 6 ATE is to renovate a portion of an existing health service facility, NCBH. All units are located on the NCBH main campus.

Pursuant to N.C.G.S. § 131E-176(14n), "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.*

Exhibit 2 includes a campus map of NCBH and outlines the locations of Reynolds Tower, Ardmore Tower East, and the offices of the Chief Executive Officer and Chief Financial Officer, who are responsible for financial and administrative control over NCBH. As illustrated on the map, all units are located on the NCBH 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.*

The capital expenditure for renovating 11 RT and 6 ATE does not result in a change in bed capacity as defined in G.S. 131E-176(5) or in 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. Upon completion of the renovation, 41 licensed general acute care beds will be relocated to the units being renovated.

N.C.G.S. 131E-176(5) defines change in bed capacity as:

(i) any relocation of health service facility beds, or dialysis stations from one licensed facility or campus to another, or (ii) any redistribution of health service facility bed capacity among the categories of health service facility bed as defined in G.S. 131E-176(9c), or (iii) any increase in the number of health service facility beds, or dialysis stations in kidney disease treatment centers, including freestanding dialysis units.

This project does not involve (i) a relocation of health service facility beds from one licensed facility or campus to another, or (ii) a redistribution of health service facility bed capacity among the categories of health service facility beds as defined in G.S. 131E-176(9c), or (iii) an increase in the number of health service facility beds.

NCBH is licensed for 802 general acute care beds. See **Exhibit 3** for the NCBH hospital license. NCBH is not proposing that any of its licensed beds be relocated to another facility or campus, be redistributed, or be increased. At the close of this project, NCBH will continue to be licensed for 802 general acute care beds. The physical location of the beds will change as outlined in **Table 2 and Exhibit 1**, however all relocations will occur within the NCBH main campus.

The only other possible new institutional health service which could be applicable to this project is major medical equipment (see N.C.G.S. § 131E-176(16)p.), which is defined in N.C.G.S. § 131E-176 (14o) as

a single unit or single system of components with related functions which is used to provide medical and other health services and which costs more than seven hundred fifty thousand dollars (\$750,000). In determining whether the major medical equipment costs more than seven hundred fifty thousand dollars (\$750,000), the costs of the equipment, studies, surveys, designs, plans, working drawings, specifications,

construction, installation, and other activities essential to acquiring and making operational the major medical equipment shall be included. The capital expenditure for the equipment shall be deemed to be the fair market value of the equipment or the cost of the equipment, whichever is greater. Major medical equipment does not include replacement equipment as defined in this section.

As part of this project, NCBH does not intend to purchase any single piece of equipment which costs more than \$750,000, including surveys, designs, plans, working drawings, specifications, construction, installation, and other activities essential to acquiring and making operational the medical equipment for this project.

(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.

NCBH respectfully requests that the CON Section confirm that, based on the facts stated above as well as the information included in the Exhibits, the NCBH Renovation of 11th floor Reynolds Tower and 6th floor Ardmore Tower East.

Please let me know if you have any questions or if additional information is needed.

Sincerely,

A handwritten signature in black ink that reads "Anna Post Mickleberry". The signature is written in a cursive, slightly slanted style.

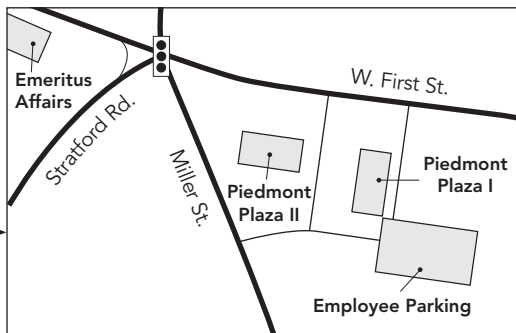
Anna Mickleberry
Director, Network Strategy and Business Development
Wake Forest Baptist Health

EXHIBIT 1 - Master Facility Plan Renovation Review Table

Building	Floor	Current		Master Facility Plan Renovations		Net Change (Post Renovation - Current)
		Unit Name	Licensed General Acute Care Beds	Unit Name	Licensed General Acute Care Beds	
Reynolds Tower	11	Day Hospital	0	NICU	26	26
	10	Orthopedics	24	Orthopedics	24	0
	9	Trauma/Gen Surg	25	Trauma/Gen Surg	25	0
	8	Day Hospital	0	Day Hospital	0	0
	7	Cardiology	25	Cardiology	25	0
	6	IMC	24	IMC	24	0
	5	CT/Vascular	23	CT/Vascular	23	0
	4	MICU	24	MICU	24	0
North Tower	11	NICU	29	NICU	29	0
	10	Plastic/Burn	24	Plastic/Burn	24	0
	9	Hospitalist/Badge	26	Hospitalist/Badge	24	-2
	8	Neph/Transplant	19	Neph/Transplant	19	0
	7	CV-ICU	22	CV-ICU	22	0
	6	Neonatal IMC	12	Neonatal IMC	12	0
	6	Peds Day Hospital	0	Peds Day Hospital	0	0
	5	PSCC (Observation)	10	PSCC (Observation)	0	-10
	5	Trauma ICU(5b)	11	Trauma ICU(5b)	9	-2
	4	Discharge Unit	0	Discharge Unit	0	0
	4	MICU(4a)/H&V (4b)	13	MICU(4a)/H&V (4b)	14	1
4	Hemodialysis	0	Hemodialysis	0	0	
Ardmore Tower East	11	NICU	24	NICU	24	0
	10	Gen Med	26	Vacant	0	-26
	9	Hospitalist	24	Hospitalist	24	0
	8	Gen Med/Hosp	26	Gen Med/Hosp	26	0
	7	Cardiology Inter	28	Cardiology Inter	28	0
	6	NICU	9	Gen Med	24	15
	5	Neurosurgerv	26	Neurosurgerv	26	0
	4	Neurology/EMU	21	Neurology/EMU	21	0
Ardmore Tower West	11	LDR	0	LDR	0	0
	10	Anti/Postpartum	30	Anti/Postpartum	30	0
	9	Peds HemoOnc	28	Peds HemoOnc	28	0
	8	Peds	28	Peds	28	0
	7	Clinic	0	Clinic	0	0
	6	PICU/Peds IMC	27	PICU/Peds IMC	25	-2
	5	Neuro ICU	20	Neuro ICU	20	0
	4	Cath Labs	0	Cath Labs	0	0
Comprehensive Cancer Center	9	Surgical Oncology	40	Surgical Oncology	40	0
	8	OncICU/BMT	28	OncICU/BMT	28	0
	7	Oncology	40	Oncology	40	0
	6	Oncology	40	Oncology	40	0
	5	Day Hospital	0	Day Hospital	0	0
	5	Antipartum	10	Antipartum	10	0
Sticht Center	3	Rehab	0	Rehab	0	0
	2SA	Peds Psych	0	Peds Psych	0	0
	2SB	ACE	16	ACE	16	0
	1SA	Adult Psych	0	Adult Psych	0	0
	1SB	Research	0	Research	0	0
Total General Acute Care Bed			802	802	0	



Piedmont Plaza I and II are located 1 mile north of the Medical Center campus at the corner of Miller Street and West First Street.

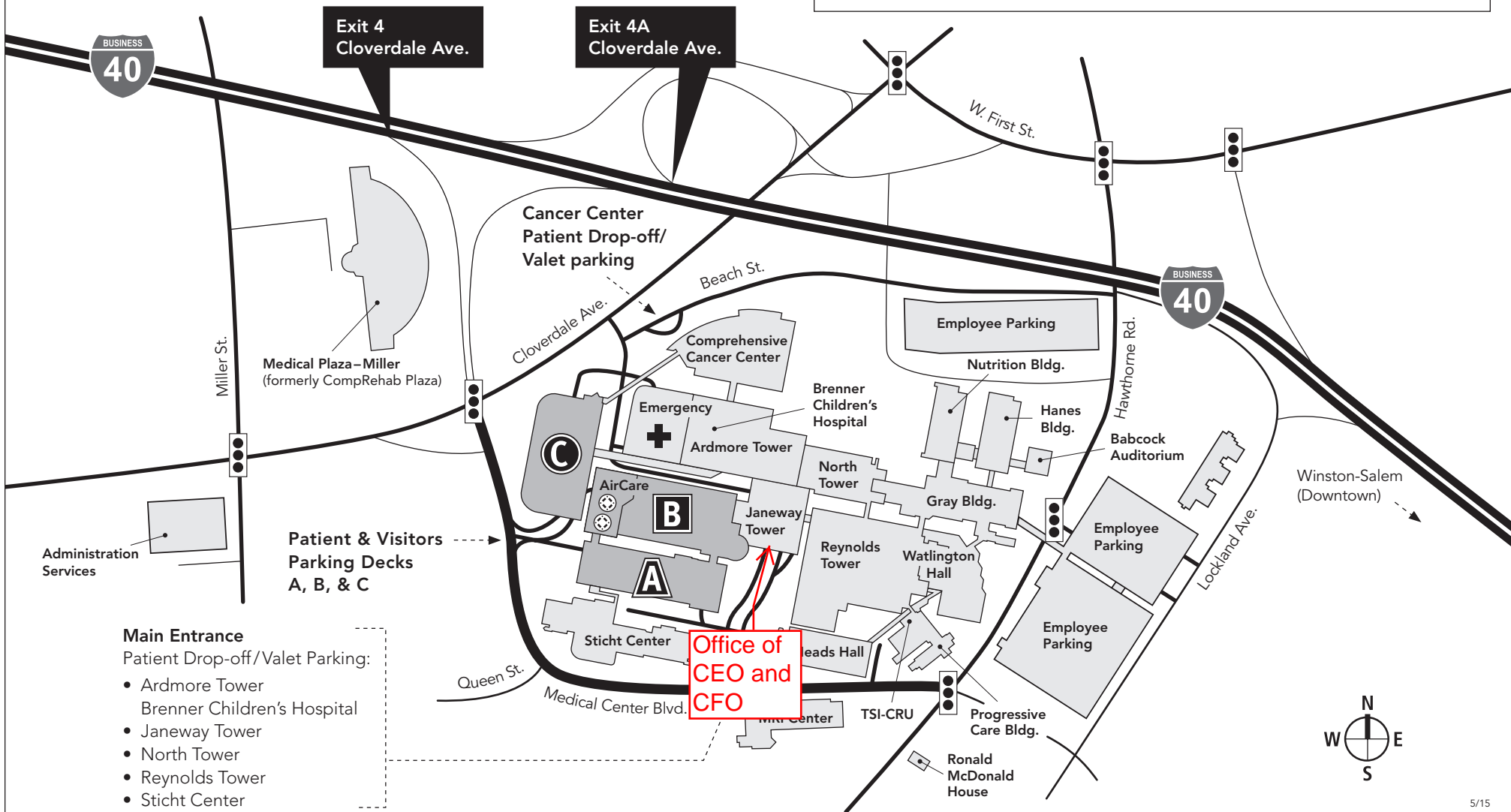


Wake Forest Baptist Medical Center
WakeHealth.edu

Campus Map

From Statesville From Business 40 East, take Exit 4, Cloverdale Avenue. Go straight at light onto Medical Center Boulevard. Turn left into Patient & Visitor Parking Deck. For valet parking, go up hill and around curve to Main Entrance. Turn left. Go under building and straight ahead.

From Greensboro From Business 40 West, take Exit 4A, Cloverdale Avenue. Turn right onto Cloverdale Avenue. At traffic light, turn left onto Medical Center Boulevard. Turn left again into Patient & Visitor Parking Deck. For valet parking, go up hill and around curve to Main Entrance. Turn left. Go under building and straight ahead.



Exit 4
Cloverdale Ave.

Exit 4A
Cloverdale Ave.

BUSINESS
40

BUSINESS
40

- Main Entrance**
Patient Drop-off/Valet Parking:
- Ardmore Tower
 - Brenner Children's Hospital
 - Janeway Tower
 - North Tower
 - Reynolds Tower
 - Sticht Center



State of North Carolina

Department of Health and Human Services Division of Health Service Regulation

*Effective January 01, 2020, this license is issued to
North Carolina Baptist Hospital
to operate a hospital known as
North Carolina Baptist Hospital
located in Winston Salem, North Carolina, Forsyth 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: 943495
License Number: H0011*

Bed Capacity: 885

General Acute 802, Rehabilitation 39, Psych 44,

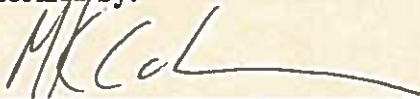
Dedicated Inpatient Surgical Operating Rooms: 4

Dedicated Ambulatory Surgical Operating Rooms: 0

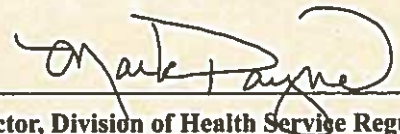
Shared Surgical Operating Rooms: 36

Dedicated Endoscopy Rooms: 10

Authorized by:



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



Director, Division of Health Service Regulation