



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

May 6, 2020

Andrea Gymer

amgymer@novanthealth.org

Exempt from Review

Record #: 3272
Facility Name: Novant Health Medical Park Hospital
FID #: 943343
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Infrastructure upgrades
County: Forsyth

Dear Ms. Gymer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter dated May 4, 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
Project Analyst

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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

From: [Griffin, Lisa L](#)
To: [Frisone, Martha](#)
Cc: [Waller, Martha K](#); [Gymer, Andrea M](#)
Subject: [External] Exemption Notice for NH Medical Park Hospital
Date: Monday, May 4, 2020 5:11:25 PM
Attachments: [DocuSign MPH FMC MFP Exemption Revision 5.4.2020.pdf](#)
[FMC MFP Ph1 Agency Approval 04.11.19.pdf](#)

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

Martha,

Attached is an exemption notice related to projects at Novant Health Medical Park Hospital in Winston-Salem, NC. The attachment to the notice is included here as a separate file.

Please respond that you have received this correspondence. Also, let me or Andrea know if you have any questions or need more information.

Thank you,

Lisa Griffin

Manager
Novant Health, Inc.
(704) 351 - 1132

We are here to help you get the care you need. Visit [Novant Health](#) or [Novant Health UVA](#) for up-to-date information.

Estamos aquí para ayudarle con el cuidado que usted necesita. Visite [Novant Health](#) o [Novant Health UVA](#) para información actualizada.

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Novant Health

2085 Frontis Plaza Drive
Winston-Salem, NC 27103

VIA EMAIL

May 4, 2020

Ms. Martha J. Frisone, Chief
Healthcare Planning & Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health and Human Services

2704 Mail Service Center
Raleigh, North Carolina 27699-2704

RE: Revision of Novant Health Forsyth Medical Center (FID# 923174) Master Facility Plan Phase 1: Infrastructure Upgrades & Facility Renovations as it relates to Novant Health Medical Park Hospital (FID# 943343); Forsyth County

Dear Ms. Frisone:

On April 11, 2019, the Master Facility Plan Phase 1 for Novant Health Forsyth Medical Center was deemed exempt per N.C. Gen.Stat. § 131E-184(g). Attached to this letter is a copy of the Agency correspondence. Since that communication, it has come to my attention that approximately \$2 million of the proposed \$181 million capital costs applies to Novant Health Medical Park Hospital (NHMPH). As you know, NHMPH is a separately-licensed facility (H0229).

Pursuant to N.C. Gen. Stat. § 131E-184, I am writing to provide prior written notice that NHMPH intends to begin an infrastructure project on its campus in Winston-Salem, North Carolina. The upgrades planned at NHMPH include:

Replacement of Chiller Unit and Cooling Tower

The chiller and cooling tower were installed in 2003 and have out-served their useful life. NHMPH is replacing the existing chiller and cooling tower with brand new units which will offer improved output and better energy efficiency. N.C. Gen. Stat. § 131E-184(a)(4) expressly exempts heating and cooling systems from CON review unless these activities are integral portions of a project that involves the construction of a new health service facility or portion thereof and that is subject to CON review. This project is not integral to the construction of a new health service facility or portion thereof being constructed at NHMPH.

Ms. Martha Frisone
May 4, 2020
Page 2


Replacement of the Roof over the Operating Rooms

The roof over the operating rooms at NHMPH is over 21 years old and is due to be replaced based on the normal life cycle of the roofing materials. N.C. Gen. Stat. § 131E-184(a)(4) expressly exempts basic plant or mechanical improvements from CON review, unless these activities are integral portions of a project that involves the construction of a new health service facility or portion thereof and that is subject to CON review. This project is not integral to the construction of a new health service facility or portion thereof that is being constructed at NHMPH. We believe the roof replacement falls within the category of “basic plant or mechanical improvements” and is therefore exempt from CON review.

Upgrade of Building Automation Controls

The building automation controls are being converted and incorporated into the Tridium system which integrates facility management and connectivity at MPH and within Novant Health. These upgrades will allow MPH to operate smarter, more efficient, safer, use less energy, have lower operating costs, and contribute to a sustainable environment. We believe the Tridium system falls within two exemption categories: N.C. Gen. Stat. § 131E-184(a)(4)(to provide basic plant or mechanical improvements) and N.C. Gen. Stat. § 131E-184(a)(3) (to provide data processing equipment). See <https://www.tridium.com/en/products-services/building-automation>. I look forward to receiving written confirmation that these projects are exempt from Certificate of Need review under N.C. Gen. Stat. § 131E-184(a). Please let me know if you have questions or need more information.

Sincerely,

DocuSigned by:

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Andrea Gymer
Vice President, Operational Planning & Innovation
amgymer@novanthealth.org

Enclosure



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

April 11, 2019

Andrea Gymer

amgymer@novanthealth.org

Exempt from Review

Record #: 2911
Facility Name: Novant Health Forsyth Medical Center
FID #: 923174
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Master Facility Plan Phase 1: Infrastructure Upgrades and Facility Renovations
County: Forsyth

Dear Ms. Gymer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of April 8, 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;

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(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
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



April 8, 2019

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

RE: Novant Health Forsyth Medical Center Master Facility Plan Phase 1: Infrastructure Upgrades & Facility Renovations; FID# 923174; Forsyth County

Dear Ms. Frisone:

Pursuant to N.C.G.S § 131E-184(g), I am writing to provide prior written notice that Novant Health Forsyth Medical Center (NHFMC) intends to begin a major infrastructure and facility renovation project, referred to as the Master Facility Plan, on its main campus in Winston-Salem, North Carolina. The Master Facility Plan is a long term plan which will be phased in over multiple years. This letter concerns Phase 1 of the project.

The upgrades planned in Phase 1 include:

- Kitchen remodel and expansion;
- Infrastructure upgrades (including HVAC, air handling unit (AHU) and a Chiller) ;
- Patient room modernizations;
- Women's Center enhancements; and
- The demolition of the Whitaker Rehabilitation Center building.

NHFMC was founded in 1887 and opened at its current location on Silas Creek Parkway in 1964. This Phase 1 of the Master Facility Plan is the most significant capital investment at the medical center since the North Tower of the hospital opened in 2007. With NHFMC's growth in recent decades, the hospital often was required to focus on enhancing patient facing areas as it grew. However, much of Phase 1 centers on enhancing infrastructure so that NHFMC will be in the best position to continue growing while maintaining the high quality of care expected by patients, their families, physicians and the community.

Kitchen Remodel and Expansion

The current kitchen at NHFMC located on the ground floor is 53% below the national benchmark in kitchen size based on the size of the facility. NHFMC is proposing to add approximately 14,000 square feet in this expansion which will address infrastructures needs, provide additional dry good storage, and enable realignment of internal workflows to meet current food and nutrition service standards.



Infrastructure Upgrades

The infrastructure upgrades includes the replacement of HVAC systems, AHU, and Chillers which is exempt pursuant to N.C.G.S § 131E-184(a)(4). The HVAC system, AHU, and Chiller upgrades do not involve the construction of a new health service facility or portion thereof that is subject to CON review. This replacement is necessary due to the age and obsolescence of the current systems.

NHFMC is in need of infrastructure upgrades to meet the growing needs of the facility and to maintain sustainability in the future. NHFMC has five chillers that range in age from 12 – 28 years old. The oldest are at the ends of their useful life and none of the chillers are operating at peak efficiency. The current Air Handling Unit (AHU system) is also past its useful life with some of the system dating back to the original 1964 General Tower construction at NHFMC. In addition, medical gas, plumbing, and electrical systems will be upgraded as part of the infrastructure improvements.

Patient Room Modernizations

As part of Phase 1, NHFMC intends to renovate and modernize patient bed rooms. Existing rooms will be upgraded with attention to lighting, paint and noise mitigation. In addition some patient care rooms in the intermediate and critical care units that are significantly undersized will be renovated to better accommodate patient, family and clinical team needs.

Women's Center Enhancements

NHFMC is also embarking on projects to enhance its Women's Center. This includes redesigning and realigning the women's services departments and functional areas to enhance the experience for patients and families. The North Tower entryway will undergo major improvements as well as infrastructure and aesthetics will be improved as part of the Phase 1 Master Facility Plan. This includes renovating the first floor of the Women's Center for an obstetrical emergency department ("OB ED"). The OB ED will have 8 triage/exam rooms. It will not be a separately-licensed emergency department but rather will function as an extension of the main ED at NHFMC. The OB ED will be staffed 24/7 by a physician and be compliant with all applicable EMTALA regulations.

Demolition of the Whitaker Rehabilitation Center Building

In October 2018, Novant Health transitioned the Whitaker Rehabilitation beds from the Whitaker Rehabilitation Building to a new freestanding hospital to form the Novant Health Rehabilitation Hospital, affiliated with Encompass Health. Since that time, the Whitaker Rehabilitation building has been vacant. Given the age of the building (it was built in 1972) and the fact that it is not appropriately designed for tertiary care, NHFMC intends to demolish the structure. The demolition of the Whitaker Rehabilitation building allows for future growth and expansion on the NHFMC campus.

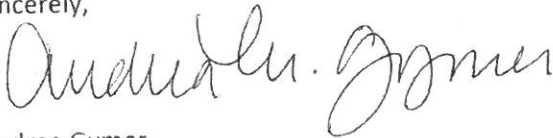
NHFMC believes the proposed projects satisfy the criteria set forth in N.C.G.S § 131E-184(g) and is therefore exempt as follows:

- 1) The sole purpose of the proposed project is to renovate a portion of an existing health service facility that is located on the main campus. NHFMC is located at 3333 Silas Creek Parkway, Winston-Salem, North Carolina 27103 (License # H0209; FID # 923174). As mentioned previously the kitchen remodel, infrastructure upgrades, patient room modernizations, Women's Center enhancements, and the demolition of the Whitaker Rehabilitation Center building are all located on the NHFMC main campus where clinical patient services are provided. Chad Setliff serves as the President and Chief Operating Officer of NHFMC. In his role as President, he exercises administrative and financial control of the facility and his office is located on the second floor of NHFMC.
- 2) The capital expenditure will neither result in a change in bed capacity as defined in N.C.G.S § 131E-176(5) nor the addition of a health service or new institutional health service. The sole purpose of the project is to renovate and upgrade infrastructure on the existing main campus of NHFMC.
- 3) NHFMC is providing this letter as prior written notice to the Department.

The proposed capital cost for the proposed Phase 1 Master Facility Plan is expected to exceed \$181 million. NHFMC will fund this project from its accumulated reserves. Capital Costs were calculated by Novant Health management in consultation with experts in architecture, engineering, and construction management.

I look forward to receiving 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,

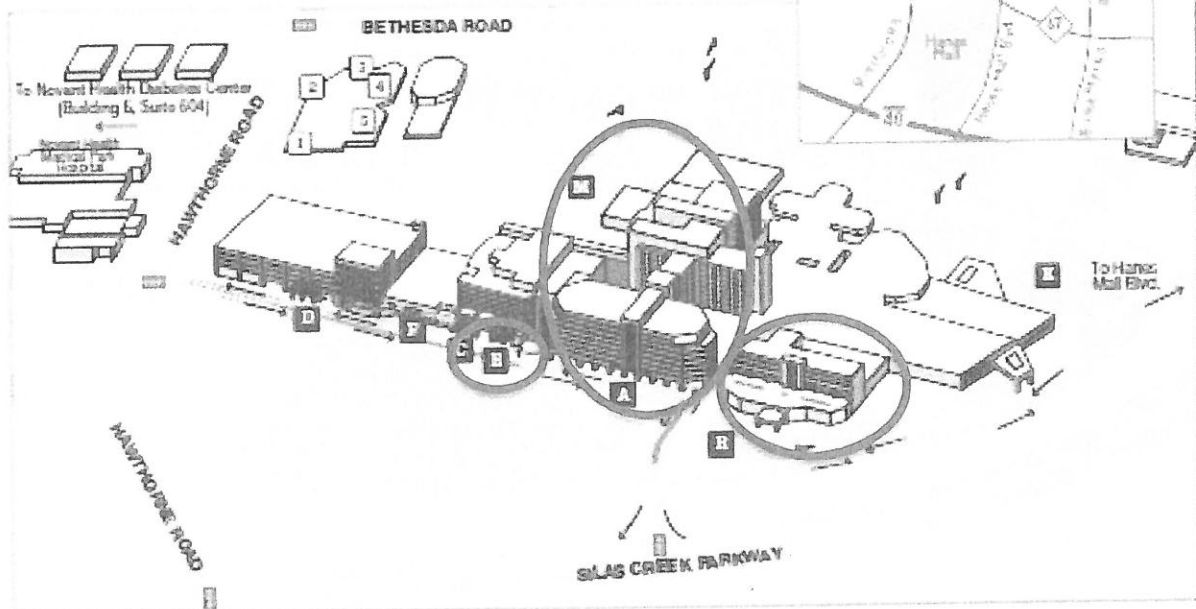
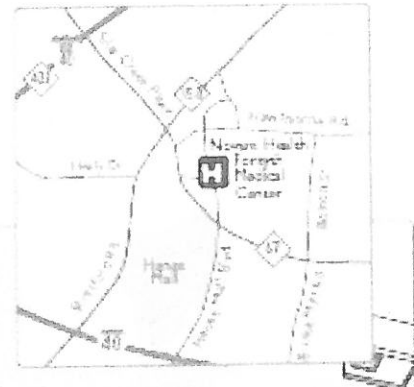


Andrea Gymer
Vice President, Operational Planning & Innovation
Novant Health, Inc.



Campus map

Novant Health Forsyth Medical Center



Entrance **A**

- Administration
- Cashier/business office
- EKG
- Endoscopy lab
- IDPS
- Lab services
- Outpatient day center
- Patient registration
- Radiology
- SPPU (Day of surgery)
- Valet parking

Entrance **B**

- All registration from 7pm to 30 pm and weekends (after 5:30 pm)
- Bowling center
- Community rooms
- Gynecatholysis unit
- Gyn surgery
- Prenatal care
- Novant Health Mays Aronow Women's Health & Wellness Center
- Valet parking

Entrance **C**

- Cancer procedural
- Pharmacy/assists
- Valet parking

Entrance **D**

- Handicapped
- Public parking deck

Entrance **E**

- Emergency Services

Entrance **F**

- Conference center

Entrance **MC**

- Novant Health Cancer Center
- Patient parking (Radiology and Cancer Center only)
- PET/CT, nuclear medicine & MRI
- Novant Health Imaging
- Novant Health Oncology Specialists
- Valet parking

Entrance **R**

- CHF clinic
- Infant audiology
- Heart & Wellness
- Rehabilitation services
- Wellness programs

1 Novant Health Hawthorne Outpatient Surgery

2 Novant Health Rehabilitation Center

3 Novant Health Wound Care

4 Forsyth Nutrition Center

5 Salem Room

3333 Silas Creek Parkway, Winston-Salem, NC 27103 • 336-716-5000 • NovantHealth.org

