



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

April 12, 2022

Sandy T. Godwin

stgodwin@capefearvalley.com

Exempt from Review – Physician Office or Medical Office Building

Record #: 3868

Date of Request: April 8, 2022

Business Name: Cape Fear Valley Health System

Business #: 335

Project Description: Develop a medical office building on the Central Harnett Hospital campus

County: Harnett

Dear Ms. Godwin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the project described above is exempt from certificate of need review in accordance with G.S. 131E-184(a)(9). Therefore, you may proceed to offer, develop or establish the project described above without a certificate of need.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by the Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Tanya M. Saporito
Project Analyst

Micheala Mitchell
Chief

cc: Acute & Home Care Licensure and Certification Section, DHSR
Construction 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

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BEHAVIORAL HEALTH CARE
 BLADEN COUNTY HOSPITAL
 CAPE FEAR VALLEY MEDICAL CENTER
 CAPE FEAR VALLEY REHABILITATION CENTER
 HEALTH PAVILION NORTH
 HIGSMITH-RAINEY SPECIALTY HOSPITAL
 HOKE HOSPITAL

 BLOOD DONOR CENTER
 BREAST CARE CENTER
 CANCER CENTER
 CAPE FEAR VALLEY MEDICAL GROUP
 CARELINK
 CAPE FEAR VALLEY HOMECARE & HOSPICE, LLC
 CUMBERLAND COUNTY EMS
 FAMILY BIRTH CENTER
 HEART & VASCULAR CENTER
 HEALTHPLEX
 LIFELINK
 CRITICAL CARE TRANSPORT
 SLEEP CENTER

April 6, 2022

Ms. Tanya Saporito
 Project Analyst, Healthcare Planning and Certificate of Need Section
 Division of Health Service Regulation
 2704 Mail Center Service
 Raleigh, NC 27699-2704

RE: Material Compliance Request Regarding Harnett Health System, Inc.’s Implementation of Project I.D. No. M-11062-15 Acquire One Linear Accelerator and One CT Simulator to Develop a Comprehensive Cancer Center and Exemption Project

Dear Ms. Saporito:

Harnett Health System Inc. (Harnett Health) requests two separate approvals:

1. **Material Compliance Request:** Harnett Health requests a material compliance approval for Central Harnett Hospital (CHH) to develop its approved comprehensive cancer center project in an outpatient location adjacent to the hospital rather than in the originally approved location within the main hospital.
 2. **Exemption Notice:** Harnett Health separately requests an exemption determination to construct medical office space on the campus of CHH.
- I. **Material Compliance Request To Develop Comprehensive Cancer Center Project in New Outpatient Space**

Harnett Health received a Certificate of Need (CON) on December 15, 2015 to acquire one linear accelerator and one CT simulator to develop a comprehensive cancer center at CHH in Lillington, NC, CON Project I.D. No. M-11062-15. See Attachment 1. Harnett Health requests a material compliance determination to develop its approved comprehensive cancer center project in new outpatient space to be constructed and located adjacent to the hospital rather than in the originally approved location within the CHH hospital facility.

Harnett Health intends to construct approximately 13,400 square feet of outpatient space for the cancer center in a new otherwise exempt medical office building adjacent to the CHH hospital facility. See Part II below for MOB Exemption Notice. Cancer patients will benefit from ease of access to a dedicated outpatient facility rather than navigating the hospital building. The impact of the COVID-19 pandemic has also underscored the critical role that ambulatory care serves in the healthcare landscape by providing an alternative site for necessary medical procedures. Developing the cancer center in an outpatient location adjacent to the hospital building maintains access to ancillary services while reducing exposure of immune-compromised cancer patients to other hospital patients.



- BEHAVIORAL HEALTH CARE
- BLADEN COUNTY HOSPITAL
- CAPE FEAR VALLEY MEDICAL CENTER
- CAPE FEAR VALLEY REHABILITATION CENTER
- HEALTH PAVILION NORTH
- HIGHSMITH-RAINEY SPECIALTY HOSPITAL
- HOKE HOSPITAL

- BLOOD DONOR CENTER
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- CARELINK
- CAPE FEAR VALLEY HOMECARE & HOSPICE, LLC
- CUMBERLAND COUNTY EMS
- FAMILY BIRTH CENTER
- HEART & VASCULAR CENTER
- HEALTHPLEX
- LIFELINK CRITICAL CARE TRANSPORT
- SLEEP CENTER

The most recent Harnett Health Cancer Center progress report shows that only \$569,034 has been expended on the approved project, which was related to the pharmacy component of the project. See Attachment 2. Harnett Health expects to develop the remaining components of the project in the outpatient location within 115% of the approved capital expenditure threshold (\$11,999,000 + 15% = \$13,798,850). Please see Attachment 2 for the construction cost estimate and Attachment 3 for the line drawing.

This request seeks the Agency’s confirmation that the following proposed changes to the cancer center project materially comply with the representations in the Harnett Health application and that such modifications are not subject to CON review.

Nothing about this request will affect Harnett Health’s ability to materially comply with any material representations in the linear accelerator CON application or the CON conditions placed on the Harnett Health project. See N.C. Gen. Stat. §§ 131E-181(a) and (b) and 131E-189(b). In all material respects, the Harnett Health’s linear accelerator operations will be similar to the approved CON Application and in compliance with this issued CON.

The project will not result in a scope change because Harnett Health does not intend to develop any services not included in M-11062-15. There is no change in ownership of the approved cancer center as proposed. There is no material change in the location of the approved cancer center associated with this request.

Harnett Health therefore asks the Agency to verify that the foregoing proposed changes to the cancer center project materially comply with the representations in Project ID No. M-11062-15, and that such modifications are not subject to CON review.

II. Exemption Notice for Medical Office Space on CHH Campus

In addition to the cancer center construction described in the Material Compliance Determination Request, Harnett Health also intends to construct approximately 66,000 square feet of medical office space on the CHH campus. The medical office space will be located in the same building shell as the approved cancer center; however, the hospital-based cancer services will be physically, administratively, and financially distinct from other operations in the building in which it will be located, consistent with licensure and certification requirements.

Pursuant to NCGS § 131E-184(a): "The department shall exempt from certificate of need review a new institutional health service if it receives prior written notice from the entity proposing the new institutional health service, when notice includes an explanation of why the new institutional health service is required, for any of the following: ...(9) To develop or acquire a physician office building regardless of cost."



CAPE FEAR VALLEY HEALTH

BEHAVIORAL HEALTH CARE
BLADEN COUNTY HOSPITAL
CAPE FEAR VALLEY
MEDICAL CENTER
CAPE FEAR VALLEY
REHABILITATION CENTER
HEALTH PAVILION NORTH
HIGHSMITH-RAINEY
SPECIALTY HOSPITAL
HOKE HOSPITAL

Based on the project described above and pursuant to N.C.G. Section 131E-184(a)(9), the project is exempt from Certificate of Need review. This letter serves as notification of our intent to proceed with this project. We would appreciate your written confirmation that this project is exempt from Certificate of Need review.

Thank you for your assistance in regard to this matter. If you have any questions or need further information, please feel free to contact me at 910.615.6852 or stgodwin@capefearvalley.com.

Sincerely,

Sandy T. Godwin
Vice President, Planning
Cape Fear Valley Health System

BLOOD DONOR CENTER
BREAST CARE CENTER
CANCER CENTER
CAPE FEAR VALLEY
MEDICAL GROUP
CARELINK
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FAMILY BIRTH CENTER
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SLEEP CENTER

Attachments

Attachment 1:

Harnett Health Cancer Center CON



North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Drexdal Pratt
Division Director

December 16, 2015

Michael L. Jones
800 Tilghman Drive
Dunn, NC 28334

Transmittal of Certificate of Need

Project ID #: M-11062-15
Facility: Central Harnett Hospital
Project Description: Acquire one linear accelerator and one CT Simulator to develop a comprehensive cancer center
County: Harnett
FID #: 050926

Dear Mr. Jones:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) is happy to transmit your certificate of need for the above referenced project. At this time, you should contact the Agency's Acute and Home Care Licensure and Certification Section and the Construction Section, regarding their procedures and requirements for the development of this project. This office will notify the appropriate Sections that the certificate of need has been issued. However, please note that it is the responsibility of the holder of the certificate of need to contact these Sections concerning the next steps to follow in the development of the approved project.

Please be aware that pursuant to G.S. 131E-181(b), you are required to materially comply with the representations made in your application for a certificate of need, or with any conditions the Agency placed on the certificate of need. **If you subsequently propose to develop the project on a site different from that named on this certificate, you must first seek and obtain approval from the Director of the Division of Health Service Regulation.** If you operate a service which materially differs from the representations made in your application for a certificate of need, or with any conditions the Agency placed on the certificate of need, including any increase in per diem reimbursement rates/charges, the Agency may bring remedial action against the holder of the certificate of need pursuant to G.S. 131E-189 and 131E-190.

The holder of a certificate of need is obligated to submit progress reports to this office as required by 10A NCAC 14C .0209. The applicant shall notify this office of any variations



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-715-4413

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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from the schedule or the projected capital cost of the project. During the development of the project, this office may request any additional information pertinent to the project, including additional progress reports, to determine:

- 1) If the timetable specified on the certificate is being met;
- 2) If the amount of the capital expenditure for the development of the project is expected to exceed the maximum amount under the certificate;
- 3) If the terms and conditions of the approval are being met; and
- 4) If the project is progressing as proposed in the application.

The first progress report on this project is due January 1, 2017. Forms for the submittal of these reports are enclosed. Failure to submit any scheduled or requested progress report in a timely manner may result in the Agency withdrawing the certificate pursuant to G.S. 131E-189. If after reviewing the status of the project, the Agency determines that the holder of the certificate is not meeting the timetable and is not making a good faith effort to meet it, the Agency may withdraw the certificate in accordance with G.S. 131E-189.

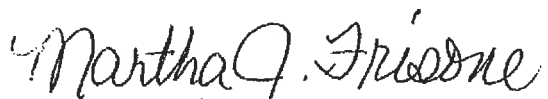
Moreover, please be advised that this Agency may assess a civil penalty not to exceed \$20,000 against any person who violates the terms of a certificate of need which has been issued each time the service provided is in violation of this provision (G.S. 131E-190(f)). If for some reason, the holder of a certificate of need determines it necessary to request an increase in a per diem charge or reimbursement rate over that which was stated in the application for the certificate of need, then the holder must first contact the Agency to obtain proper instructions for initiating such a request. The request for the increase will be considered by the Agency pursuant to G.S. 131E-181(b).

Please keep us informed of the progress in the development of this project. In the future, address your Progress Reports to Tanya S. Rupp, the Project Analyst for your county. Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,



Celia C. Inman
Project Analyst



Martha J. Frisone
Assistant Chief, Certificate of Need

CCI:MJF:mw

Enclosures

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Kelli Fisk, Program Assistant, Healthcare Planning

STATE OF NORTH CAROLINA

*Department of Health and Human Services
Division of Health Service Regulation*

CERTIFICATE OF NEED

for

**Project ID #: M-11062-15
FID #: 050926**

**ISSUED TO: Harnett Health System, Inc.
800 Tilghman Drive
Dunn, NC 28334**

Pursuant to G.S. 131E-175, the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein, as documented by the periodic progress reports required by 10A NCAC 14C .0209. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by G.S. 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in G.S. 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to G.S. 131E-189 for any of the reasons provided in that law.

SCOPE: Acquire one linear accelerator and one CT simulator to develop a comprehensive cancer center/ Harnett County

CONDITIONS: See Reverse Side

**PHYSICAL LOCATION: Central Harnett Hospital
215 Brightwater Drive
Lillington, NC 27546**

MAXIMUM CAPITAL EXPENDITURE: \$11,999,000

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: January 1, 2017

This certificate is effective as of the 15th day of December, 2015

Martha J. Frisone for
Shelley Carraway, Chief

CONDITIONS:

1. Harnett Health System, Inc. shall materially comply with all representations made in the certificate of need application.
2. Harnett Health System, Inc. shall acquire no more than one linear accelerator and one CT simulator as part of this project.
3. Harnett Health System, Inc. shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditures in Section VII of the application and that would otherwise require a certificate of need.
4. Harnett Health System, Inc. shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes. The plan must be consistent with the applicant's representations in the written statement as described in paragraph one of Policy GEN-4.
5. Harnett Health System, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Agency on December 1, 2015.

TIMETABLE:

Approval of Final Drawings by the Construction Section, DHSR	_____	July 1, 2017
25% Completion of Construction	_____	October 1, 2017
50% Completion of Construction	_____	February 1, 2018
75% Completion of Construction	_____	May 1, 2018
Completion of Construction	_____	August 1, 2018
Occupancy/Offering of Service/Operation of Equipment	_____	October 1, 2018

Attachment 2:
Capital Cost Summary

Harnett Health Cancer Center Capital Cost Summary

	Renovation SF	Estimated Costs/SF	Capital Expense
Construction/Renovation			
Upfit Cancer Center	13,400	\$387	\$ 5,185,800
Harnett Health Cancer Center			
Upfit Cancer Center			\$5,185,800
LINAC and Vault			\$4,500,000
CT Simulator / Other FFE			\$900,000
Other			\$1,017,910
Contingency			\$320,896
TOTAL CAPITAL EXPENSE			\$11,924,606
			15% overage allowed
CON Approved Capital Cost			\$11,999,000
Spent per progress report			\$13,798,850
Remaining allowed per 115% CON Approved Capital Cost			\$569,034
			\$13,229,816

Attachment 3:

Line Drawing



SCHEMATIC DESIGN

NOT FOR CONSTRUCTION

Date	Revision	Description	Revised Date
01/11/2021	1	Issue for Review	

CFVHS Central Harnett MOB

OCT 28 2021

Building Key Map

DATE: 09/15/2021
 DESIGNED BY: J. J. JONES
 CHECKED BY: J. J. JONES
 DRAWN BY: J. J. JONES
 CADD BY: J. J. JONES
 CFVHS Central Harnett
 Facility # Facility Number
 215 Briggsmore Dr., Lillington, NC 27546



CFVHS Central Harnett MOB

SHEET NAME
FLOOR PLAN - LEVEL
01

SHEET NUMBER
A121

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION OF ANY PROJECT, THE USER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND REGULATORY APPROVALS PRIOR TO CONSTRUCTION.

DEPARTMENT	TOTAL SQ. FT.
FRONT END SUPPORT	20,599 SF
RADIATION ONCOLOGY	1,601 SF
MEDICAL OFFICE SPACE	39,867 SF
PHYSICIAN OFFICE SPACE	1,601 SF
RADIATION ONCOLOGY	2,988 SF
SHELL AND CORE	2,988 SF
SUPPORT	811 SF

DEPARTMENT LEGEND
FRONT END SUPPORT
RADIATION ONCOLOGY
MEDICAL OFFICE SPACE
PHYSICIAN OFFICE SPACE
RADIATION ONCOLOGY
SHELL AND CORE
SUPPORT



1 2 3 4 5 6

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