



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

March 3, 2022

Robbie Roberts, Manager, Market Planning
Rroberts@wakemed.org

Exempt from Review

Record #: 3833
Date of Request: February 24, 2022
Facility Name: WakeMed
FID #: 943528
Business Name: WakeMed
Business #: 2018
Project Description: Renovation of existing space to create a new operating room to replace an existing operating room with no change in the total number of operating rooms
County: Wake

Dear Mr. Roberts:

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

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,

Michael J. McKillip, Project Analyst

Micheala Mitchell, 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

February 24, 2022

Via Electronic Mail

Mr. Michael McKillip, Project Analyst
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 Renovate Surgical Suite at WakeMed Raleigh
Campus/FID# 943528/Wake County**

Dear Mr. McKillip:

This letter is to inform the Healthcare Planning and Certificate of Need Section of WakeMed's intent to renovate the existing surgical suite at WakeMed Raleigh Campus. The renovation will result in the creation of Operating Room 23, which will replace existing Operating Room 17. Upon project completion, Operating Room 17 will be removed from service as a licensed OR. Please see Attachment 1 for line drawings showing the affected areas.

The project will not increase licensed operating room capacity at WakeMed Raleigh Campus or in the WakeMed system. Upon project completion, WakeMed Raleigh will continue to have 23 licensed operating rooms, consisting of 3 dedicated C-section, 4 dedicated open heart and 16 shared inpatient/outpatient ORs.

Total cost for the renovation project is \$3,939,305. Please see Attachment 2 for a Certified Cost Estimate. As a result, the proposed project does not constitute a "new institutional health service" as defined in N.C.G.S. § 131E-176(16)b, which states:

Except as otherwise provided in G.S. 131E-184(e), the obligation of a capital expenditure exceeding four million dollars (\$4,000,000), to develop or expand a health service or a health service facility, or which relates to provision of a health service. The cost of any studies, surveys, designs, plans working drawings, specifications, and other activities, including staff effort and consulting and other services, essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure is made shall be included in determining for the expenditure exceeds four million (\$4,000,000). Beginning September 30, 2022, and on September 30 each year thereafter, the cost threshold amount in this subdivision shall be adjusted using the Medical Care Index component of the Consumer Price Index published by the U.S. Department of Labor for the 12-month period preceding the previous September 1.

Even if the project costs exceeded the dollar threshold established under N.C.G.S. 131E-176(16)b, this project would be exempt from certificate of need review under N.C.G.S. § 131E-184(g), which states:

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 the 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 of 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.*

WakeMed believes this project meets each of the applicable criteria set forth in N.C.G.S. §131E-184(g). The purpose of the project is to replace on the same site the existing Operating Room 17. Upon completion of the project, Operating Room 17 will be decommissioned, and there will be no increase in the number of licensed operating rooms at WakeMed Raleigh Campus. The proposed project will be located in the existing operating suite at WakeMed Raleigh Campus, located at 3000 New Bern Avenue, Raleigh, NC 27610, which is the WakeMed Raleigh “main campus” as defined at N.C.G.S. § 131E-176(14n) (i.e., the location that serves as the main building from which WakeMed Raleigh provides clinical patient services and exercises financial and administrative control over WakeMed Raleigh).

Because the proposed project meets the above-referenced statutory requirements, WakeMed is requesting that the Healthcare Planning and Certificate of Need Section confirm that the proposed replacement OR project is exempt from CON review and that WakeMed may proceed with the development of the project without first obtaining a CON.

Thank you for your attention to this matter. If you have questions or require additional information, please contact me at 919-350-8023, or at rroberts@wakemed.org.

Sincerely,



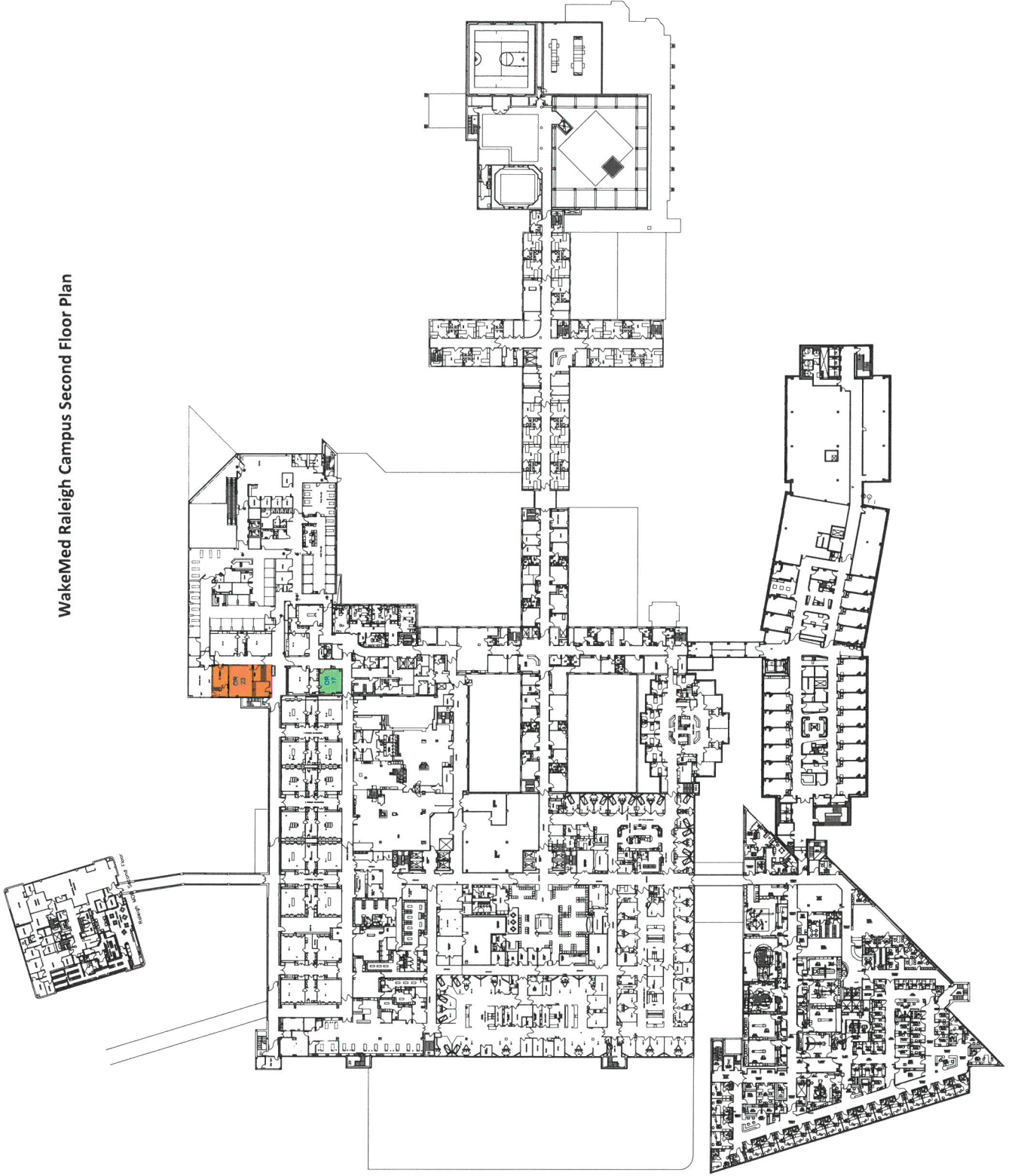
Robbie Roberts
Manager, Market Planning

Attachments

ATTACHMENT 1

Line Drawings

WakeMed Raleigh Campus Second Floor Plan



ATTACHMENT 2
Certified Cost Estimate

Projected Capital Cost Form

Building Purchase Price	N/A
Purchase Price of Land	N/A
Closing Costs	N/A
Site Preparation	N/A
Construction/Renovation Contract(s)	\$2,589,093
Landscaping	N/A
Architect / Engineering Fees	\$170,705
Medical Equipment	\$1,121,215
Non-Medical Equipment	\$58,292
Furniture	N/A
Consultant Fees (specify)	N/A
Financing Costs	N/A
Interest during Construction	N/A
Other (specify)	N/A
Total Capital Cost	\$3,939,305

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.

Angela P. Wooten, AIA
Signature of Licensed Architect or Engineer

Date Signed: 2.24.2022

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 it is our intent to carry out the proposed project as described.

Signature of Officer/Agent

Date Signed: _____

Title of Officer/Agent

From: [Mckillip, Mike](#)
To: [Waller, Martha K](#)
Subject: FW: [External] Letter of Exemption Request
Date: Thursday, February 24, 2022 2:22:42 PM
Attachments: [LOE_WakeMed Raleigh_OR Suite Renov.pdf](#)

FYI again.

Michael Mckillip

Project Analyst

Division of Health Service Regulation, Healthcare Planning and Certificate of Need

[NC Department of Health and Human Services](#)

Office: 919-855-3877

mike.mckillip@dhhs.nc.gov

809 Ruggles Drive, Edgerton

2704 Mail Service Center

Raleigh, NC 27699

Don't wait to vaccinate. Find a COVID-19 vaccine location near you at [MySpot.nc.gov](#).

[Twitter](#) | [Facebook](#) | [YouTube](#) | [LinkedIn](#)

Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized State official. Unauthorized disclosure of juvenile, health, legally privileged, or otherwise confidential information, including confidential information relating to an ongoing State procurement effort, is prohibited by law. If you have received this email in error, please notify the sender immediately and delete all records of this email.

From: ROBBIE ROBERTS <RROBERTS@wakemed.org>

Sent: Thursday, February 24, 2022 2:12 PM

To: Mckillip, Mike <mike.mckillip@dhhs.nc.gov>

Subject: [External] Letter of Exemption Request

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Mike:

Please see the attached Letter of Exemption request for WakeMed Raleigh Campus. If you have questions or need anything else, please let me know. Thanks.

RR

Robbie Roberts

Manager, Market Planning

WakeMed Health & Hospitals
919-350-8023
rroberts@wakemed.org