



**North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section**

2704 Mail Service Center • Raleigh, North Carolina 27699-2704  
<http://www.ncdhhs.gov/dhsr/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor  
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief  
Phone: (919) 855-3873  
Fax: (919) 733-8139

**RESPONSE REQUIRED**

November 27, 2012

Amy V. Graham  
155 Memorial Drive  
Pinehurst, NC 28374

**Conditional Approval**

Project I.D. #: N-8838-12  
Facility: FirstHealth Hoke Community Hospital  
Project Description: Add 28 acute care beds to its approved 8-bed acute care hospital in Hoke County  
County: Hoke  
FID #: 100390

Dear Ms. Graham:

The Certificate of Need (CON) Section, Division of Health Service Regulation, Department of Health and Human Services has conditionally approved the above referenced certificate of need application. This decision was made after a review of the applications submitted for this cycle and after consideration of the Certificate of Need Law, G.S. 131E-175 et. seq. and regulations promulgated thereunder, the State Medical Facilities Plan, and other applicable information. Written notice of all findings and conclusions upon which the decision was based will be provided to the applicants within five business days after the date of the decision in accordance with G.S. 131E-186. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Department shall not issue the certificate of need until all applicable conditions of approval that can be satisfied before issuance of the certificate of need have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. FirstHealth of the Carolinas, Inc. shall materially comply with all representations made in the certificate of need application, as revised by the conditions of approval.
2. FirstHealth of the Carolinas, Inc. shall develop no more than 28 new acute care beds (24 general acute care beds and 4 ICU beds) at FirstHealth Hoke Community Hospital. Upon completion of

this project and Project I.D. #N-8497-10 (FHCH 8 bed hospital), FHCH shall be licensed for no more than 36 acute care beds (32 general acute care beds and 4 ICU beds) and 4 observation beds.

3. FirstHealth of the Carolinas, Inc. shall not develop any additional observation beds beyond what was approved in Project I.D. #N-8497-10 (FHCH 8 bed hospital).
4. FirstHealth of the Carolinas, Inc. shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.
5. FirstHealth of the Carolinas, 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.

**Response to the above conditions should be submitted to the CON Section no later than 35 days from the date of the decision. Failure to respond within this time period may result in the CON Section making a determination not to issue a certificate of need for the project referenced above.**

The conditional approval is valid only for a capital expenditure of \$17,516,509. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by G.S. 131E-176(16)(e). The applicant should be aware that according to the Certificate of Need Law any affected person shall have thirty (30) days after the date of decision to file a petition for a contested case on this approval. Further, if you are aggrieved by the conditions of the decision you may file a petition for a contested case hearing in accordance with G.S. 150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings, P.O. Drawer 27447, Raleigh, North Carolina 27611-7447 within thirty (30) days of the date of this decision. [Note: Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to OAH Clerk's Office (919-431-3000).]

G.S. 150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Emery Milliken  
Department of Health and Human Services,  
Office of Legal Affairs,  
Adams Building – Room 154  
2001 MSC  
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Certificate of Need Section.

The certificate of need will not be issued before the completion of this 30 day period ending December 27, 2012. If a contested case request is received within the thirty (30) day period, the certificate will not be issued until the appeal is resolved (10A NCAC 14C .0208).

The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the CON Section because the review period was extended. The timetable for this project is as follows:

Approval of Final Drawings and Specifications by the Construction Section, DHSR _____	June 1, 2013
Contract Award _____	August 1, 2013
Approval of Site by Construction Section, DHSR _____	September 1, 2013
25% Completion of Construction _____	December 1, 2013
50% Completion of Construction _____	February 1, 2014
75% Completion of Construction _____	June 1, 2014
Completion of Construction _____	September 1, 2014
Occupancy/Offering of Service _____	October 1, 2014
Certification of Beds _____	October 1, 2014

If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the certificate of need is issued. Please contact us if any clarification of this decision is required.

Please refer to the Project I.D.# and Facility I.D.# (FID) in all correspondence.

Sincerely,

Gregory F. Yakaboski, Project Analyst

Craig R. Smith, Chief  
Certificate of Need Section

GFY:CRS:mw

Attachment

cc: Medical Facilities Planning Section, DHSR  
Acute & Home Care Licensure & Certification Section, DHSR  
Construction Section, DHSR

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing notice of conditional approval on the following person(s) by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelope(s) addressed as follows:

Amy V. Graham  
155 Memorial Drive  
Pinehurst, NC 28374

Project I.D. #N-8838-12  
FID # 100390

I hereby certify that I have served the foregoing notice of disapproval on the following person by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelope addressed as follows:

Sandy T. Godwin  
1638 Owen Drive  
Fayetteville, NC 28302

Project I.D. # M-8833-12  
FID # 94307

This the 27<sup>th</sup> day of November, 2012.

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Gregory F. Yakaboski  
Project Analyst