



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

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

RESPONSE REQUIRED

January 28, 2013

Catherine Cummer
3100 Tower Boulevard, Suite 1300
Durham, NC 27707

Conditional Approval

Project I.D. #: J-10021-12
Facility: Duke Raleigh Hospital
Project Description: Develop 12 inpatient rehabilitation beds
County: Wake
FID #: 923421

Dear Ms. Cummer:

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. Duke Raleigh shall materially comply with all representations made in its application as amended by the conditions of approval.
2. Duke Raleigh shall develop no more than 12 rehabilitation beds for a total of 12 rehabilitation beds upon project completion.
3. Duke Raleigh shall delicense 12 acute care beds upon completion of the project for a total of not more than 174 acute care beds.



Certificate of Need Section

www.ncdhhs.gov

Telephone 919-855-3873 • Fax 919-733-8139

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

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

An Equal Opportunity/ Affirmative Action Employer



January 28, 2013

4. Duke Raleigh 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 and which would otherwise require a certificate of need.
5. Duke Raleigh shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to the 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 \$&. 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 &. 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:

Complete Preliminary Drawings_____	March 15, 2013
Obtain Funds_____	April 1, 2013
25% Completion of Construction _____	August 15, 2013
50% Completion of Construction _____	October 1, 2013
75% Completion of Construction _____	November 15, 2013
Completion of construction_____	December 15, 2013
Certification of Beds_____	January 1, 2014

Catherine Cummer

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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,

Lisa Pittman, Team Leader

Craig R. Smith, Chief
Certificate of Need Section

LP: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 persons by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelopes addressed as follows:

W. Stan Taylor
3000 New Bern Avenue
PO Box 14465
Raleigh, NC 27620-4465
Project I.D. # J-10018-12
FID # 943528

Catherine Cummer
3100 Tower Boulevard, Suite 1300
Durham, NC 27707
Project I.D. # J-10021-12
FID # 923421

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

April S. Culver
509 North Bright Leaf Boulevard
Smithfield, NC 27577
Project I.D. # J-10022-12
FID # 943290

Dee Jay Zerman
Hedrick Office Building, Suite G050
211 Friday Center Drive
Chapel Hill, NC 27517
Project I.D. # J-10017-12
FID # 923517

This the 28th day of January, 2013.

Lisa Pittman
Team Leader