



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

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne, Director  
Health Service Regulation

**RESPONSE REQUIRED**

November 16, 2016

Kristy Hubard  
2131 S. 17th Street  
Wilmington, NC 28402

**Conditional Approval**

Project ID #: O-11189-16  
Facility: New Hanover Regional Medical Center  
Project Description: Construct additional floors on top of the existing Surgical Pavilion, relocate 68 acute care beds from NHRMC Orthopedic Hospital, and relocate five operating rooms from NHRMC Orthopedic Hospital, which results in a change of scope for Project I.D. #O-11042-15 (add 31 acute care beds and relocate nine acute care beds)  
County: New Hanover  
FID #: 943372

Dear Ms. Hubard:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) 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 there under, the State Medical Facilities Plan, and other applicable information. Attached to this letter are the required findings made with respect to your application. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Agency shall not issue the certificate of need until all applicable conditions of approval have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. New Hanover Regional Medical Center shall materially comply with all representations made in the certificate of need application and in clarifying information received October 31, 2016.



**Healthcare Planning and Certificate of Need Section**

[www.ncdhhs.gov](http://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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2. New Hanover Regional Medical Center shall materially comply with all the conditions of approval on the certificate of need for Project I.D. #O-11042-15, except as specifically modified by the conditions of approval for this application, Project I.D. #O-11189-16.
3. New Hanover Regional Medical Center shall develop a 108-bed patient tower over the existing Surgical Pavilion by relocating 68 existing acute care beds and five operating rooms from the NHRMC Orthopedic Hospital to the NHRMC 17<sup>th</sup> Street campus as well as by including the acute care beds approved in Project I.D. #O-11042-15.
4. New Hanover Regional Medical Center shall de-license 68 acute care beds and five operating rooms at NHRMC Orthopedic Hospital. Following completion of this project and Project I.D. #O-11042-15, New Hanover Regional Medical Center shall be licensed for no more than 38 operating rooms, including 29 shared operating rooms, four dedicated ambulatory surgery operating rooms, three dedicated C-section operating rooms, and two dedicated open heart surgery operating rooms, and for no more than 678 general acute care beds.
5. New Hanover Regional Medical Center shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditures in Section VIII of the application and that would otherwise require a certificate of need.
6. New Hanover Regional Medical Center 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.
7. New Hanover Regional Medical Center 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 Agency no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency 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 \$86,878,371. 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, 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 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:

Lisa G. Corbett  
Department of Health and Human Services,  
Office of Legal Affairs,  
Adams Building – Room 154  
2001 Mail Service Center  
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Agency.

The certificate of need will not be issued before the completion of this 30 day period ending December 16, 2016. 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 Agency because the review period was extended. The timetable for this project is as follows:

Final Drawings and Specifications to the Construction Section, DHSR	July 15, 2017
Construction Contract Executed/Contract Award	December 1, 2017
25% Completion of Construction	July 1, 2018
50% Completion of Construction	December 1, 2018
75% Completion of Construction	April 1, 2019
Completion of Construction	September 1, 2019
Occupancy/offering of Service	October 1, 2019

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 this office if any clarification of this decision is required.

Kristy Hubard  
November 16, 2016  
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Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,

Julie Halatek  
Project Analyst

Fatimah Wilson  
Team Leader, Certificate of Need

Attachment

cc: Acute & Home Care Licensure & Certification Section, DHSR  
Construction Section, DHSR  
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

**CERTIFICATE OF SERVICE**

I hereby certify that I have served the foregoing notice of **conditional approval** 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:

Kristy Hubbard  
2131 S. 17th Street  
Wilmington, NC 28402

Project ID #: O-11189-16  
FID #: 943372

This the 16<sup>th</sup> day of November, 2016.

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Julie Halatek  
Project Analyst, Certificate of Need