



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

March 11, 2014

John H. Gizdic  
P.O. Box 9000  
Wilmington, NC 28402-9000

**No Review**

Facility: New Hanover Regional Medical Center  
Project Description: Relocate existing outpatient cardiac imaging equipment and services to a new Medical Office Building  
County: New Hanover  
FID #: 943372

Dear Mr. Gizdic:

The Certificate of Need Section (CON Section) received your letter on November 15, 2013 and email dated December 18, 2013 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

Moreover, you need to contact the Construction and Acute and Home Care Licensure and Certification Sections of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed project.

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 Certificate of Need Section. 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.



**Certificate of Need Section**

[www.ncdhhs.gov](http://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

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Mr. Gizdic  
March 5, 2014  
Page 2

Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,



Gregory E. Yakaboski, Project Analyst



Martha J. Frisone, Interim Chief  
Certificate of Need Section

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

**Yakaboski, Greg**

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**From:** Kristy Hubard [Kristy.Hubard@nhrmc.org]  
**Sent:** Wednesday, December 18, 2013 9:40 AM  
**To:** Yakaboski, Greg  
**Subject:** NHRMC detail for Nov no review request for cardiac imaging services relocation

Greg,

In follow up to our phone conversation yesterday, I am submitting the supplemental information below related to our request to confirm the relocation of hospital-based cardiac imaging services from its existing physician practice location to the new location does not require a CON.

**Cardiac Imaging Equipment to be relocated** (no equipment will be purchased):

- 2, potentially 3, nuclear cameras
- 3 Echo's
- 8 treadmills
- 3 crash carts
- 1 HotLab
- 10 exam tables
- collectively total just under \$440,000
- all items are currently in use at the practices' current locations

**Existing Square Footage for Cardiac Imaging (Consolidating all 3 locations):**

CFHA - Wilmington Cardiology: 2,091 SF

CFHA - Coastal Cardiology: 3,440 SF

Hanover Cardiology: 1,763 SF

**Total SF: 7,294 SF**

**Proposed Square Footage** at consolidated location (within the cardiac MOB): 6,006 SF

**Cost:** \$1.3Million (6,000+SF x \$200/SF)

The \$200/SF covers the cost of **sitework, building pad, construction of the shell, upfit of the shell** (including all necessary shielding for imaging equipment) and **all finish cost** - "move-in ready."

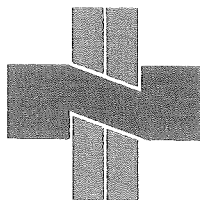
Please advise if you need any other information or have outstanding questions.

Thanks very much!  
Kristy

Kristina K. Hubard, MHA, FACHE  
Director, Business Analysis and Planning  
New Hanover Regional Medical Center  
2131 S. 17th Street  
PO Box 9000  
Wilmington, NC 28402-9000  
tel 910-815-5908  
fax 910-815-5350

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12/18/2013



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Received by  
the CON Section  
NOV 15 2013

November 7, 2013

Craig Smith, Chief  
Greg Yakaboski, Analyst  
Certificate of Need Section  
Division of Health Service Regulation  
N.C. Dept. of Health & Human Services  
2704 Mail Service Center  
Raleigh, NC 27699-2704

***RE: New Hanover Regional Medical Center's No Review Request for Developing Hospital-Based Services in a Medical Office Building***

Dear Mr. Smith and Mr. Yakaboski:

New Hanover Regional Medical Center ("NHRMC"), intends to construct a Medical Office Building (MOB) to house physician offices at 1415 Physicians Drive, Wilmington, NC, 28401. Concurrent with the submission of this No Review Request, NHRMC is submitting an Exemption Request notifying the CON Section of its intent to develop the exempt physician office services, pursuant to N.C.G.S. § 131E-184(a)(9).

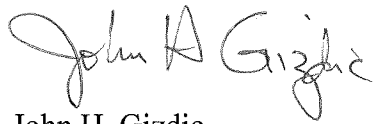
While the majority of the building will house our cardiologists' offices and therefore be exempt under the CON law, NHRMC currently plans to relocate hospital-based, outpatient cardiac testing services to this MOB to consolidate our outpatient cardiac service offering for our patients and their families. Specifically, NHRMC intends to upfit 6,007 square feet of space in the MOB to accommodate this relocation (see Attachment 1, which is the floor plan designating this space). While the development of the MOB is otherwise exempt from review, NHRMC recognizes that the hospital-based portion of the building would not be exempt from review. Therefore, the purpose of this letter is to request confirmation that the relocation of this hospital-based service into the MOB is not subject to CON review, as the service does not involve a "new institutional health service" as defined by N.C.G.S. § 131E-176(16) nor does the total project cost to develop this relocated service exceed \$2 million, inclusive of site costs, construction costs, architect and engineering fees, furniture and equipment, and contingencies.

Please see Attachment 2 for a letter from the project architect certifying the cost to construct and upfit the portion of the MOB to house hospital-based services. The total cost associated with the hospital-based service is \$1,310,607, well below the \$2 million dollar threshold. This cost includes all construction costs, including the building shell and upfit, as noted in the letter in Attachment 2. Further, no costs for furniture or equipment will be incurred, as this is an existing service and these items will be relocated from the current office within the hospital.

Craig Smith, Chief  
Greg Yakaboski, Analyst  
November 7, 2013  
Page 2 of 2

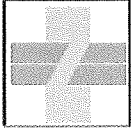
Based upon the project as described above, NHRMC requests that the Certificate of Need Section confirm that the relocation of the hospital-based service outlined in this letter does not constitute a "new institutional health service" and therefore does not require a Certificate of Need. If you have any questions or require further information regarding this request, please contact me at 910-342-3195.

Sincerely,

A handwritten signature in black ink that reads "John H. Gizdic". The signature is written in a cursive style with a large initial "J" and "G".

John H. Gizdic

JHG:kkh  
Enclosures



HANOVER  
CARDIOLOGY  
CENTER



ISP ASSOCIATES LTD.  
INTERIORS INC. 2000  
WILSON AVENUE SUITE 200  
WILSON, NJ 07097  
TEL: 908-685-1100



PARTITION SYMBOLS  
SOLID LINE = PARTITION  
DASHED LINE = PARTITION TO BE REMOVED

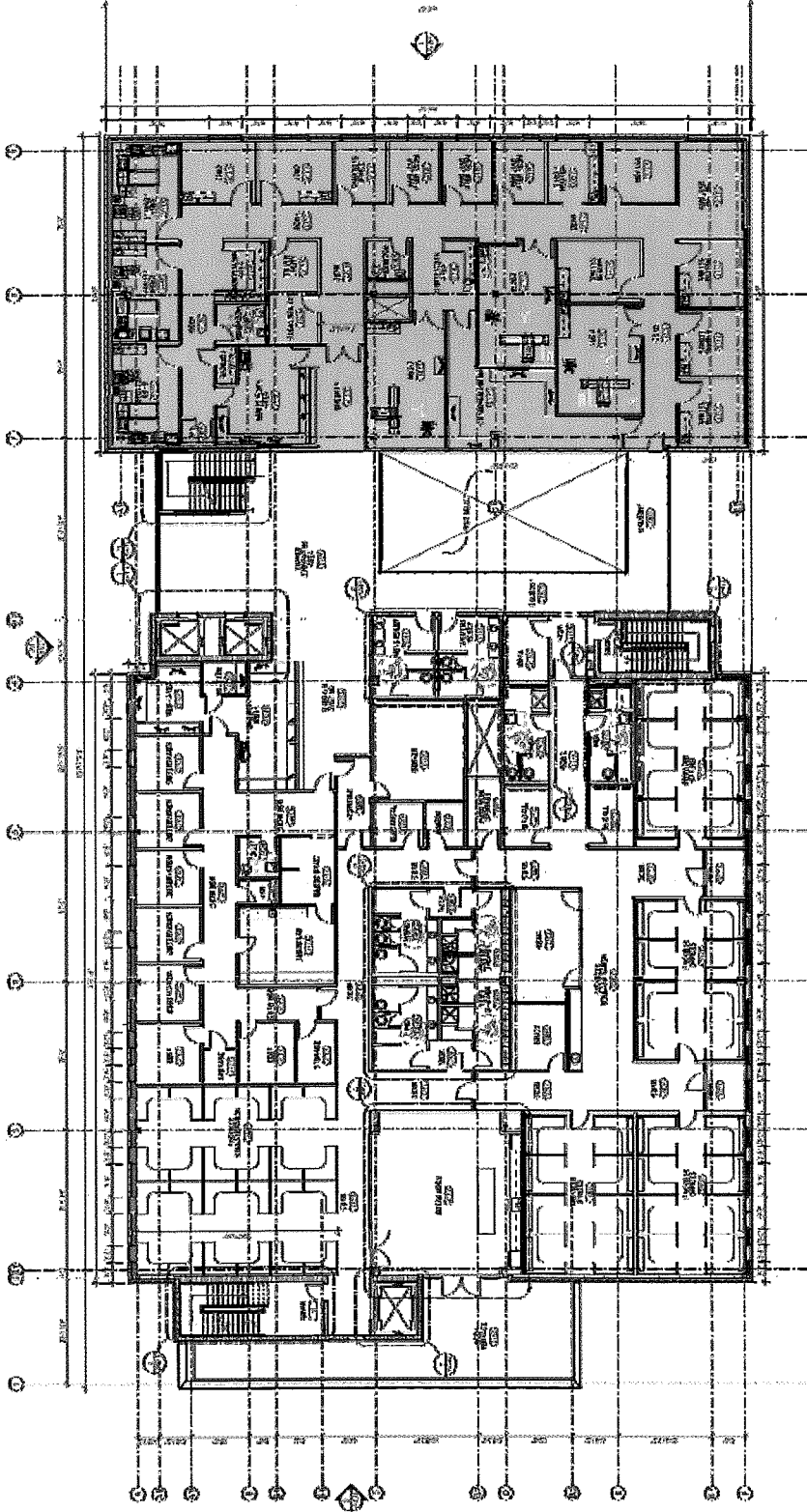
DATE	NOV 19 1998
BY	...
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PROJECT  
HANOVER  
CARDIOLOGY  
CENTER  
PHASE II, 200

SECOND  
FLOOR PLAN

A-102

DESIGN DEVELOPMENT



1 SECOND FLOOR PLAN

- PARTITION LEGEND**
1. PARTITION TO BE REMOVED (DASHED LINE)
  2. PARTITION TO BE REMOVED (DASHED LINE)
  3. PARTITION TO BE REMOVED (DASHED LINE)
  4. PARTITION TO BE REMOVED (DASHED LINE)
- NEW HANOVER REGIONAL MEDICAL CENTER  
 ■ NEW HANOVER REGIONAL MEDICAL CENTER  
 ■ NEW HANOVER REGIONAL MEDICAL CENTER



New Hanover Regional Medical Center  
Cardiac Imaging





May 6, 2013

Mrs. Christina Maroulis-Ollie  
Director - Planning & Construction  
New Hanover Regional Medical Center  
PO Box 9000  
Wilmington NC 28402

Re: New Hanover Regional Medical Center  
Cardiology Outpatient Clinic

Dear Christina,

At your request, we have reviewed the Cardiac Imaging scope of work within the proposed Cardiology Outpatient Clinic, located in Wilmington, NC.

I certify that I am a licensed architect in the State of North Carolina. To the best of my knowledge, information, and belief, and based on historical cost data, our experience with costs on comparative health care projects, and a preliminary cost estimate prepared by Rodgers Builders - the Construction Manager for the hospital, we believe the probable construction cost for the Cardiac Imaging portion of the project should be \$1,310,607. This figure includes the pro-rated costs of site improvements, building construction/upfit cost, design fees and relocation costs for the 6,007 square foot portion of the project as indicated in the attached drawing.

Please review these figures for conformance with your understanding of the scope of work and if you have any questions please don not hesitate to contact us.

Sincerely,  
LS3P

A handwritten signature in black ink, appearing to read 'D Adams', with a long, sweeping horizontal stroke extending to the right.

Danny Adams, AIA, LEED AP  
Senior Associate