

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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Drexdal Pratt
Division Director

August 24, 2015

Timothy Harclerode, Chief Operating Officer
Maria Parham Medical Center
P.O. Box 59
Henderson NC 27536

No Review

Record #: 1695
Facility Name: Maria Parham Medical Center
FID #: 943326
Business Name: Maria Parham Medical Center
Business #: 1179
Project Description: Relocate wound care clinic from an on-campus medical office building to the hospital and add hyperbaric oxygen
County: Vance

Dear Mr. Harclerode:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of August 12, 2015 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.

However, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification Sections 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 in your correspondence. 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 this office. Changes in a project include, but are not limited

Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-715-4413

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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.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,

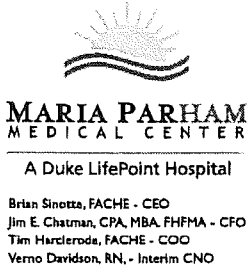


Michael J. McKillip
Project Analyst



Martha J. Frisone
Assistant Chief, Certificate of Need

cc: Acute and Home Care Licensure and Certification Section, DHSR
Construction Section, DHSR
Assistant Chief, Healthcare Planning



August 12, 2015

Martha Frisone
Assistant Chief, Planning and Certificate of Need Section
Ms Bernetta Thorne Williams, Analyst
Department of Facility Services
801 Ruggles Drive
2714 Mail Service Center
Raleigh, North Carolina 27699-2714

RE: Request for Determination of Not Subject to CON Review for Expansion of Wound Care Clinic, DLP Maria Parham Medical Center, Henderson, Vance County, HSA IV

Dear Ms. Frisone and Ms. Thorne Williams,

Please accept this letter as the required prior notification that DLP Maria Parham Medical Center (MPMC) intends to expand its Wound Care Clinic to include Hyperbaric Oxygen and to move the clinic inside the hospital. The clinic is currently located in a medical office building on campus. The proposed expansion involves a total capital expenditure of less than \$2.0 million and involves an expansion of an existing service on the main campus of the hospital. The project therefore is not a new institutional health service as defined in GS 131E-176(16). Moreover, if the capital cost were to exceed \$2.0 million it would be exempt under GS 131E-184(g).

- It is expanding an existing service on the main campus of the hospital;
- It does not result in a change in bed capacity, or addition of a health service facility or any other new institutional health service facility or service; and
- This letter provides supporting documentation to demonstrate that it meets these criteria.

The attached Exhibit A provides a summary of capital costs estimated by DukeLifePoint staff. The current address of the Wound Clinic is 568 Ruin Creek Road, Suite #2, Henderson, NC 27536

We would appreciate your earliest possible confirmation, so that we can proceed with the purchase. Thank you for your time and consideration.

Sincerely,

Timothy Harclerode
Chief Operating Officer

EXHIBIT A

PROPOSED CAPITAL COSTS

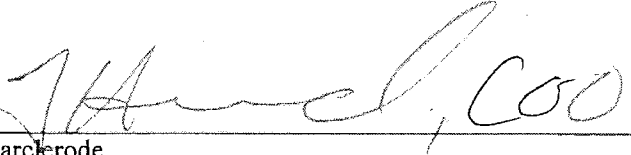
Project name: Wound Care Clinic Expansion

Proponent: DLP Maria Parham Medical Center, LLC

<u>A. Site Costs</u>	
(1) Full purchase price of land _____ Acres at \$_____ per acre	
(2) Closing costs	
(3) Site inspection and survey	
(4) Legal fees/subsoil investigation	
(5) Site preparation costs Soil borings Clearing-earthwork Fine grade for slab Roads-paving-sidewalks Water and sewer Footings Termite treatment Other (HVAC Pre-testing) Sub-total site preparation costs	\$3,000
(6) Other (Installation)	
(7) Sub-Total Site Costs	\$3,000
<u>B. Construction Contract</u>	
(8) Cost of Building construction General requirements Concrete/masonry Woods/doors/windows finishes Thermal & moisture protection Equipment and specialty items Oxygen ParkAccelecare Mechanical/electrical/plumbing Other: () Sub-total materials and labor	850,000 65,941 \$915,941
(10) Other (Contingency)	
Sub-Total Construction Contract	\$915,941

C. Miscellaneous Project Costs	
(11) Building purchase	0
(12) Fixed equipment purchase/lease	
(13) Movable equipment purchase/lease	119,000
(14) Furniture and signage	7,000
(15) Landscaping	
(13) Consultant fees:	
Architect and engineering shielding design	130,850
Certificate of need prep	
Legal fees	
Market analysis	
Other (Physics Commissioning)	
Sub-Total Consultant Fees	
(14) Financing costs (e.g. bond, loan, etc.)	
(15) Interest during construction	7,200
(16) Other (Contingency)	35,000
(17) Sub-Total Miscellaneous	299,050
(18) TOTAL CAPITAL COST OF PROJECT	<u>\$1,217,991</u>

I assure that, to the best of my knowledge, the above capital costs for the proposed project are complete and correct and that it is my intent to carry out the proposed project as described.



 Timothy Harclerode
 Chief Operating Officer

Date 8-12-15