



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

August 29, 2016

Lisa Griffin
Novant Health, Inc.
2085 Frontis Plaza Drive
Winston-Salem, North Carolina 27103

Exempt from Review

Record #: 2040
Facility Name: Novant Health Presbyterian Medical Center
FID #: 943501
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Renovate Behavioral Health Unit
County: Mecklenburg

Dear Ms. Griffin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of August 18, 2016, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(g). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

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 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 Agency. 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.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Gloria C. Hale
Project Analyst

Martha J. Frisone
Assistant Chief, Certificate of Need

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



Healthcare Planning and Certificate of Need Section

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

An Equal Opportunity/ Affirmative Action Employer





Novant Health
2085 Frontis Plaza Drive
Winston-Salem, NC 27103

August 18, 2016

Ms. Martha Frisone, Assistant Chief, CON
Healthcare Planning & Certificate of Need Section
North Carolina Department of Health & Human Services
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: Notice of Exempt Capital Expenditure Pursuant to NCGS § 131E-184(g) for Novant Health Presbyterian Medical Center (NHPMC) 7E Behavioral Health Services/Adult Psychiatric Beds Renovation; FID # 943501 / Mecklenburg County

Dear Ms. Frisone:

This letter outlines Novant Health Presbyterian Medical Center's (NHPMC's) project to renovate and update its existing Behavioral Health Unit located on 7E in the main building on the Charlotte campus. The project cost is estimated to exceed \$2 million and is exempt from Certificate of Need (CON) review by the CON Section for the reasons set forth in this letter. The estimated total capital costs for this project are \$10,035,716 (See **Attachment A**). A Certified Architect's Letter regarding the construction costs of \$8,408,790 is included as **Attachment B**.

This project is exempt from CON review and meets the criteria set forth in NCGS § 131E-184(g) as follows:

1. The sole purpose of the capital expenditure is to renovate, replace on the same site, or expand the entirety or a portion of an existing health service facility that is located on the main campus;

*This project is to renovate the existing 7E Behavioral Health Unit space located on the 7th floor of Novant Health Presbyterian Medical Center, 200 Hawthorne Lane, Charlotte, Mecklenburg County, North Carolina. The location on Hawthorne Lane is the "main campus" for NHPMC as it is the site from which NHPMC "provides clinical patient services and exercises financial and administrative control over the entire facility." NHPMC and its campus has been located at this address since 1918. Refer to **Attachment C** and **D** for location documentation.*

2. The capital expenditure does not result in (i) a change in bed capacity as defined in GS 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service facility or any other new institutional health service other than that allowed in GS 131E-176(16)b.;

Ms. Martha Frisone
August 18, 2016
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*The renovation of 7E will not result in a change in bed capacity or in the addition of a health service facility or any other new institutional health service facility. The space for the existing licensed Psychiatric Beds on 7E is to be renovated and updated in its current location in the main hospital. See **Attachment E** documenting the existing, licensed psychiatric beds per Table 15A of the 2016 North Carolina State Medical Facilities Plan.*

3. The licensed health service facility proposing to incur the capital expenditure shall provide prior written notice to the Department along with supporting documentation to demonstrate it meets the exemption criteria of this subsection.

This correspondence and supporting documentation serves as the required notice to the CON Section that the 7E renovation project meets the exemption criteria.

In conclusion, based on the information described above, please confirm that NHPMC's project to renovate and update the 7E Behavioral Health Unit fits within the exemption requirements at NCGS § 131E-184(g), therefore making it exempt from CON review.

Please contact me at (704) 384 – 3462 or lgriffin@novanthealth.org if you have any questions or need additional information related to this project. Thank you for your prompt consideration of this request.

Sincerely,



Lisa Griffin
Manager, Certificate of Need
Novant Health, Inc.

Enclosures

cc: Barbara Freedy, Director, CON, Novant Health
Laura MacFadden, Vice President, Design & Construction, Novant Health

File: PMC 7E Reno Exempt Ltr 081816.docx

Attachment A

PROPOSED CAPITAL COSTS

Project Name: 7E Behavioral Health Renovation

August 17, 2016

Proponent: Novant Health Presbyterian Medical Center

A. Site Costs

(1)	Full purchase price of land		\$	-
	Acres _____ Price per Acre		\$	-
(2)	Closing Costs		\$	-
(3)	Site Inspection and Survey		\$	-
(4)	Legal fees and subsoil investigation		\$	-
(5)	Site Preparation Costs	\$		-
	Soil Borings	\$		-
	Clearing Earthwork	\$		-
	Fine Grade For Slab	\$		-
	Roads Paving	\$		-
	Concrete Sidewalks	\$		-
	Water and Sewer	\$		-
	Footing Excavation	\$		-
	Footing Backfill	\$		-
	Termite Treatment	\$		-
	Sub-Total Site Preparation Costs		\$	-
(6)	Other (specify)		\$	-
(7)	Sub-Total Site Costs		\$	-

B. Construction Contract

(8)	Cost of Materials		\$	-
	General Requirements	\$	487,382.02	
	Concrete/Masonry	\$	-	
	Woods/Doors & Windows/Finishes	\$	925,990.66	
	Thermal & Moisture Protection	\$	28,838.39	
	Equipment/Specialty Items	\$	168,218.24	
	Mechanical/Electrical	\$	2,520,260.85	
	Other	\$	-	
	Sub-Total Cost of Materials		\$	4,130,690.16
(9)	Cost of Labor GC Labor		\$	3,534,713.84
(10)	Other - (Specify)		\$	-
(11)	Sub-Total Construction Contract		\$	7,665,404.00

C. Miscellaneous Project Costs

(12)	Building Purchase		\$	-
(13)	Fixed Equipment Purchase/Lease		\$	-
	Other (contingency)		\$	-
(14)	Movable Equipment Purchase/Lease		\$	250,000.00
(15)	Furniture		\$	150,000.00
(16)	Landscaping		\$	-
(17)	Consult Fees		\$	-
	Architect and Engineering Fees	\$	562,500.00	
	Market Analysis	\$	-	
	Other - (Specify) A&E Reimbursable	\$	6,500.00	
	Sub-Total Consultant Fees		\$	569,000.00
(18)	Financing Costs (e.g. Bond Loan, etc)		\$	-
(19)	Interest During Construction		\$	-
(20)	Other (SPECIFY)	IT	\$	175,000.00
	Other (SPECIFY)	Misc. Low Voltage Cable Pulls	\$	100,000.00
	Other (SPECIFY)	Security System	\$	35,000.00
	Other (SPECIFY)	Cubicle Curtains	\$	20,000.00
	Other (SPECIFY)	Nurse Call	\$	130,000.00
	Other (SPECIFY)	Art	\$	10,000.00
	Other (SPECIFY)	Interior Signage	\$	10,000.00
	Other (SPECIFY)	Special Inspections	\$	5,000.00
	Other (SPECIFY)	Moving/Storage	\$	12,000.00
	Other (SPECIFY)	DHSR Review	\$	18,923.00
	Other (SPECIFY)	Project Management	\$	92,003.00
	Other (SPECIFY)	Project Contingency	\$	743,386.00
	Other (SPECIFY)	Abatement / Testing	\$	50,000.00
(21)	Sub-Total Miscellaneous		\$	2,370,312.00
(22)	Total Capital Cost of Project (Sum A-C above)		\$	10,035,716.00

Attachment B

100 Queens Road
Suite 200
Charlotte, NC 28204
704/372-2740
www.McCullochEngland.com



August 8, 2016
H1542/17

Mr. Darren McKeithan
Sr. Construction Manager
Novant Health
1900 Randolph Road, Suite 500
Charlotte NC, 28204

Re: 7E Behavioral Health Renovation
Novant Health Presbyterian Medical Center
Charlotte, NC

Dear Darren,

This letter shall certify to the best of our knowledge, that the construction costs shown below are the costs which might be expected for this scope of work.

Preliminary Construction Cost Estimate

7E Behavioral Health Renovation

Estimated Construction Cost:	\$	7,665,404
Construction Contingency:	\$	743,386
Total:	\$	8,408,790

Estimated Architectural/Engineering Fee:\$ 569,000

Preliminary Estimated Construction Schedule

- (3) Phases = (68) Weeks

The Preliminary Construction Cost Estimate and Schedule duration has been established with the assistance of Rodgers Builders of Charlotte, North Carolina

This estimate is for construction costs and Architectural/Engineering fees only. The above estimate does not include equipment, furniture, financing costs, security system costs, IT system costs, or other costs generally attributable to a project of this nature.

Richard A. Henly AIA
Larry E. May, Jr. AIA
Grace O. Murray AIA
Michael D. Rowell AIA
Ellen S. Standish AIA
Richard B. Butler AIA
James M. Wiley AIA
Jack L. Gill AIA
Michael K. Satterfield AIA
Steve A. Assante AIA
Daniel A. Kinken AIA
Garrett M. Olin AIA

An Architectural Corporation

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August 8, 2016
H1542/17

If you should require any additional information, please do not hesitate to give me a call.

Sincerely,

McCULLOCH
ENGLAND
ASSOCIATES
ARCHITECTS

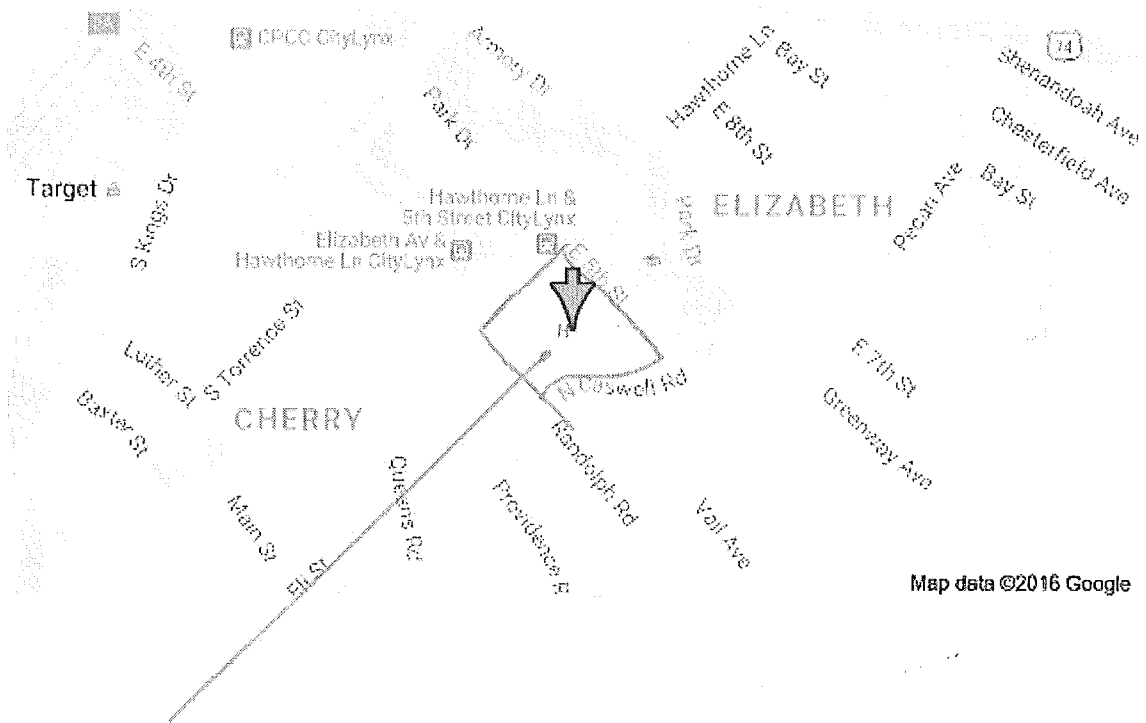
McCULLOCH ENGLAND ASSOCIATES ARCHITECTS



Daniel A. Kinken, AIA LEED AP BD&C
Architect

CC:

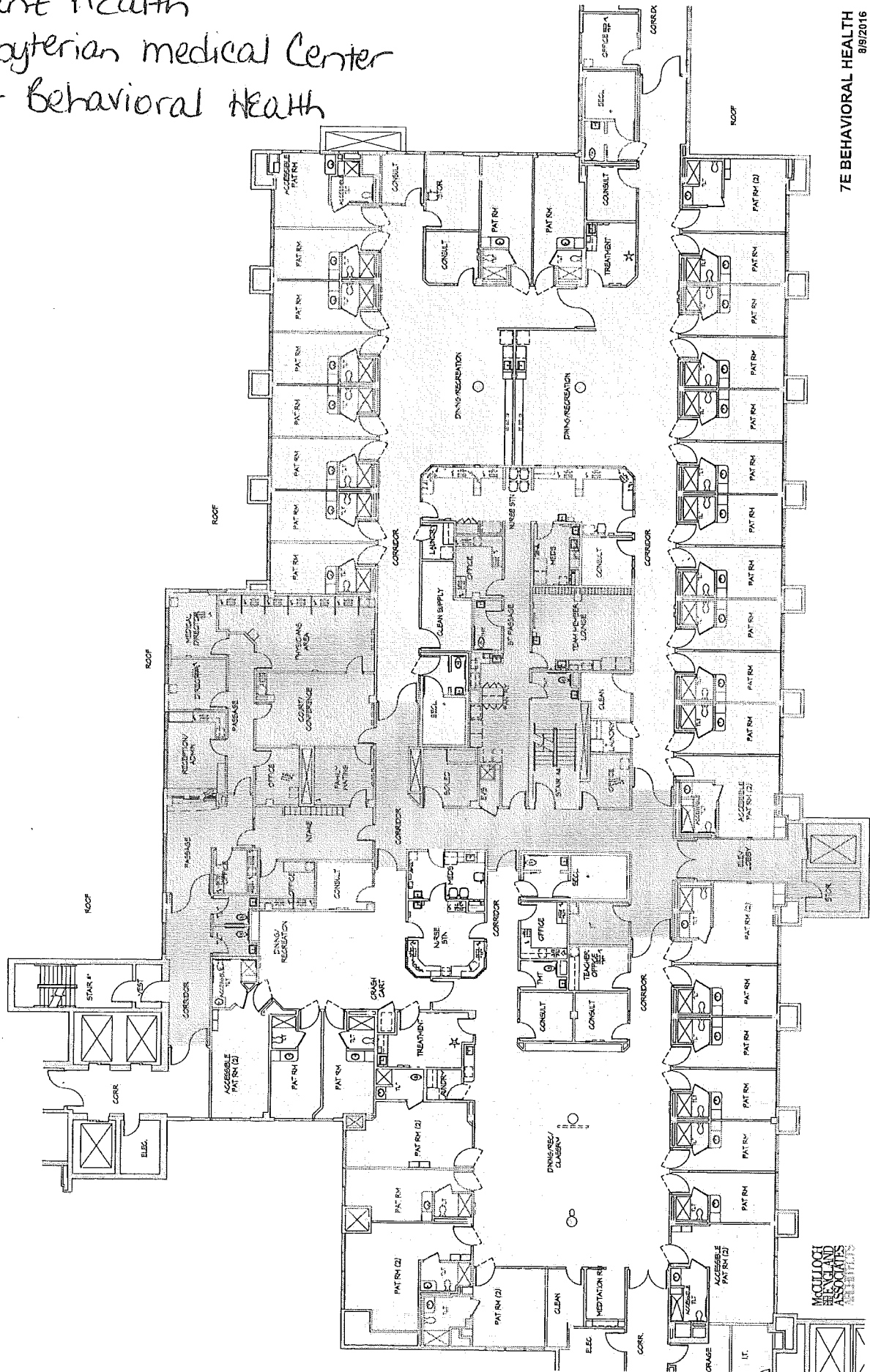
Attachment C



Novant Health Presbyterian Medical Center
200 Hawthorne Lane
Charlotte, NC

Attachment D

Novant Health
 Presbyterian medical Center
 7E- Behavioral Health



7E BEHAVIORAL HEALTH
 8/9/2016

McILLOUGH
 ARCHITECTS AND ASSOCIATES

Attachment E

Excerpt of 2016 State medical Facilities Plan

Table 15A: Inventory of Psychiatric Beds, Excluding State Hospitals
By Local Management Entity-Management Care Organization (LME-MCO)

Local Management Entity- Managed Care Organization	Hospital	County	Licensed Adult Beds	Licensed Child/Adol Beds	Total Licensed Beds	License Pending CON		Available in SMFP Adult	Available in SMFP Child/Adol	Total Adult Inventory	Total Child/Adol Inventory	Total All Beds
						Adult	Child/Adol					
Alliance Behavioral Healthcare	Cape Fear Valley Medical Center	Cumberland	28	0	28	0	0	0	0	28	0	28
	Duke Regional Hospital	Durham	23	0	23	0	0	0	0	23	0	23
	Duke University Medical Center	Durham	19	0	19	0	0	0	0	19	0	19
	Veritas Collaborative *	Durham	0	5	5	0	1	0	0	0	6	6
	Johnston Health	Johnston	20	0	20	0	0	0	0	20	0	20
	Holly Hill Hospital	Wake	80	60	140	60	0	0	0	140	60	200
	Strategic Behavioral Center-Garner **	Wake	0	32	32	24	0	0	0	24	32	56
	Triangle Springs	Wake	0	0	0	43	0	0	0	43	0	43
	UNC Hospitals at WakeBrook **	Wake	16	0	16	12	0	0	0	28	0	28
		Alliance Behavioral Healthcare Totals		186	97	283	139	1	0	0	325	98
Cardinal Innovations Healthcare Solutions	Carolinas Medical Center - Northeast	Cabarrus	10	0	10	0	0	0	0	10	0	10
	Novant Health Thomasville Medical Center	Davidson	45	0	45	0	0	0	0	45	0	45
	Novant Health Rowan Medical Center (Lifeworks Behavioral Health Unit)	Rowan	40	0	40	0	0	0	0	40	0	40
	Stanly Regional Medical Center	Stanly	12	0	12	0	0	0	0	12	0	12
	Alamance Regional Medical Center	Alamance	36	8	44	0	0	0	0	36	8	44
	Novant Health Franklin Medical Center	Franklin	13	0	13	0	0	0	0	13	0	13
	Halifax Regional Medical Center	Halifax	20	0	20	0	0	0	0	20	0	20
	University of North Carolina Hospitals	Orange	58	18	76	0	0	0	0	58	18	76
	Carolinas Medical Center (Behavioral Health) ***	Mecklenburg	110	22	132	0	0	0	0	110	22	132
	Novant Health Presbyterian Medical Center	Mecklenburg	55	20	75	0	0	0	0	55	20	75
SBH-Charlotte**	Mecklenburg	0	0	0	0	0	24	0	0	24	24	
	Cardinal Innovations Healthcare Solutions Totals		399	68	467	0	24	0	0	399	92	491
CenterPoint Human Services	Novant Health Forsyth Medical Center	Forsyth	80	0	80	0	0	0	0	80	0	80
	North Carolina Baptist Hospital	Forsyth	24	0	24	0	0	0	0	24	0	24
	Old Vineyard Youth Services**	Forsyth	78	18	96	26	34	0	0	104	32	156
	Pioneer Community Hospital of Stokes	Stokes	6	0	6	0	0	0	0	6	0	6
	CenterPoint Human Services Totals		188	38	226	26	34	0	0	214	72	286
	Vidant Duplin Hospital	Duplin	25	0	25	0	0	0	0	25	0	25
	Nash General Hospital	Nash	44	0	44	0	0	0	0	44	0	44
	Southeastern Regional Medical Center	Robeson	33	0	33	0	0	0	0	33	0	33
	Wayne Memorial Hospital	Wayne	61	0	61	0	0	0	0	61	0	61
	Wilson Medical Center	Wilson	23	0	23	0	0	0	0	23	0	23
	Eastpointe Totals		186	0	186	0	0	0	186	0	186	
Partners Behavioral Health Management	Carolinas HealthCare System - Blue Ridge	Burke	22	0	22	0	0	0	0	22	0	22
	Catawba Valley Medical Center	Catawba	38	0	38	0	0	0	0	38	0	38
	Frye Regional Medical Center	Catawba	84	0	84	0	0	0	0	84	0	84
	Carolinas HealthCare System Kings Mountain	Cleveland	14	0	14	0	0	0	0	14	0	14
	CaroMont Regional Medical Center	Gaston	36	27	63	0	0	0	0	36	27	63
	Davis Regional Medical Center	Iredell	28	0	28	0	0	0	0	28	0	28
	Partners Behavioral Health Management Totals		222	27	249	0	0	0	0	222	27	249