



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Mark Payne
Assistant Secretary for Audit and
Health Service Regulation

February 10, 2016

Charles W. Elliott, Jr.
Johnston Health
509 N. Bright Leaf Blvd
Smithfield, NC 27577

No Review

Record #: 1866
Facility Name: Johnston Health Clayton
FID #: 061348
Business Name: Johnston Memorial Hospital Authority
Business #: 1053
Project Description: Change two medical/surgical beds to two obstetrics beds for a total of 44 medical/surgical beds and six obstetrics beds
County: Johnston

Dear Mr. Elliott:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of January 13, 2016 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

Healthcare Planning and Certificate of Need Section

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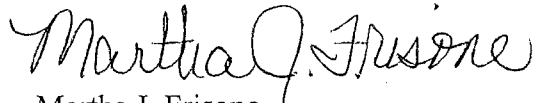
required would need to be made by this office. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

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,



Bernetta Thorne-Williams
Project Analyst



Martha J. Frisone,
Assistant Chief, Certificate of Need

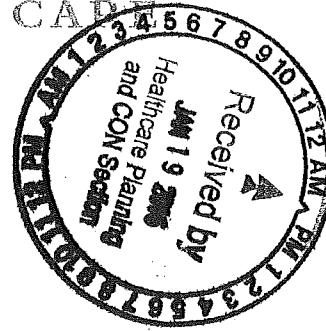
cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Kelli Fisk, Program Assistant, Healthcare Planning, DHSR

 **JOHNSTON**
UNC HEALTH CARE

Review# 1866
Business# 1053

January 13, 2016

Ms. Martha Frisone, Assistant Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704



Re: Change in designation of acute care beds at Johnston Health Clayton
County: Johnston
FID#: 061348

Dear Ms. Frisone:

As you are aware, Johnston Health Clayton (JHC) was approved to transfer a total of 50 acute care beds from Smithfield to Clayton, per Project ID # J-8848-12. The 50 acute care beds are designated as 46 medical/surgical beds and four obstetrics beds. That project was deemed complete and certified by the CON Section as of January 14, 2015. As of Friday, January 15, 2016, that project will have been complete for more than one year.

Since its opening, JHC has experienced higher than expected utilization of its obstetrics beds. As a result, JHC would like to change the designation of two of its existing medical/surgical beds to obstetrics beds. This will be accomplished by converting two of the LDR rooms (unlicensed beds) to LDRPs (licensed beds), which will leave JHC with two LDRs and six LDRPs. Simultaneously, two of JHC's existing medical/surgical beds will be taken out of service as licensed beds, but will be used for observation patients as needed. Following this change, JHC will operate 44 medical/surgical beds and six obstetrics beds. Given that this change in designation will not alter the total number of acute care beds at JHC, it is my understanding that the project is not reviewable. Further, there will be no capital cost associated with the proposed change in designation, as the existing LDR rooms are the same size and configuration as the other LDRP rooms. We would like to confirm that such a change is not reviewable and that JHC will remain in material compliance with its Certificate of Need, as long as the change in designation takes place after January 14, 2016.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Charles W. Elliott, Jr.
Chief Executive Officer
Johnston Health Services Corporation d/b/a Johnston Health