



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

May 6, 2016

Jeffrey Shovelin, Director of Corporate Planning  
Vidant Health  
Post Office Box 2068  
Greenville, North Carolina 27835-6028

**Exempt from Review**

**Record #:** 1931  
**Facility Name:** Vidant Medical Center  
**FID #:** 933410  
**Business Name:** Vidant Health  
**Business #:** 1438  
**Project Description:** Renovate Nursing Administration, Operations Center and shelled space for future offices, expand main Pharmacy  
**County:** Pitt

Dear Mr. Shovelin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of April 13, 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



**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

An Equal Opportunity/ Affirmative Action Employer




Jeffrey Shovelin  
May 6, 2016  
Page 2 of 2

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,

  
Jane Rhoe-Jones  
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



VIDANT HEALTH™



May 2, 2016

Ms. Jane Rhoe-Jones  
Certificate of Need Section  
Division of Health Service Regulation  
NC Department of Health and Human Services  
2704 Mail Service Center  
Raleigh, NC 27699-2704

RE: Information Request for Exemption Pursuant to G.S. 131E-184(g) / Vidant Medical Center /  
Renovate Nursing Administration, Operations Center and shelled space for future offices, expand main  
Pharmacy / Pitt / FID # 933410

Dear Ms. Rhoe-Jones:

Per your request for additional information regarding the project listed above, please accept this letter as documentation that I, Brian Floyd, President of Vidant Medical Center (VMC), do hereby certify, as it relates to the proposed project, that:

1. Financial control of the entire licensed health service facility is exercised at the site of the proposed renovations or construction, and
2. Administrative control of the entire licensed health service facility is exercised at the site of the proposed renovations or construction.

If you require additional information or clarification, please contact me at Jeff Shovelin, Director of Corporate Planning at (252)-847-3631. Thank you for your time and attention to this important project.

Sincerely,

Brian Floyd, MBA, RN  
President  
Vidant Medical Center



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

**Via Electronic Mail Only**

April 22, 2016

Jeffrey Shovelin, Director of Corporate Planning  
Vidant Health  
Post Office Box 2068  
Greenville, North Carolina 27835-6028

**Information Request for Exemption Pursuant to G.S. 131E-184(g)**

Facility: Vidant Medical Center  
Project Description: Renovate Nursing Administration, Operations Center and shelled space for future offices, expand main Pharmacy  
County: Pitt  
FID #: 933410

Dear Mr. Shovelin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter dated & (date) regarding the above reference proposal. However, additional information is needed to determine if the project is exempt from review pursuant to G.S. 131E-184(g).

Provide a written response to each of the following to document that the project site is the main campus:

1. Documentation that financial control of the entire licensed health service facility is exercised at the site of the proposed renovations or construction.
2. Documentation that administrative control of the entire licensed health service facility is exercised at the site of the proposed renovations or construction.

If you have any questions concerning this request, please do not hesitate to call this office.

Sincerely,

Jane Rhoe-Jones, Project Analyst, Certificate of Need

**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





**VIDANT HEALTH™**



April 13, 2016

Ms. Jane Rhoe-Jones  
Certificate of Need Section  
Division of Health Service Regulation  
NC Department of Health and Human Services  
2704 Mail Service Center  
Raleigh, NC 27699-2704

*Exempt FID# 931  
Bus # 1438  
FID# 933410*

RE: Request for “No Review” for Expansion and Renovation at Vidant Medical Center

Dear Ms. Rhoe-Jones:

Pitt County Memorial Hospital d/b/a/ Vidant Medical Center (VMC) plans to renovate the first floor of the old East Carolina University Brody School of Medicine (ECU BSOM) Family Practice Center that is physically connected to the hospital and VMC has recently acquired. The project will require approximately 22,280 square feet of renovations, including:

- 3,123 square feet to relocate Nursing Administration,
- 4,673 square feet for a new Operations Center, and
- 14,484 square feet of shelled space for future offices

The existing space vacated by nursing administration will be renovated to expand the Main Pharmacy at VMC. This space is approximately 2,282 square feet and will be a new Compounding Area and Supply/Work Areas that meet USP 797 and USP 800 requirements. Approximately 1,500 square feet of the existing Main Pharmacy space will be renovated after relocation of the existing Compounding and Supply/Work areas.

The total capital cost of the proposed project is estimated at \$6,711,926, with \$4,370,926 estimated for the Family Practice Center renovations and \$2,341,000 for the Main Pharmacy expansion and renovation. The Family Practice Center renovations are expected to be completed by January 2017 and the Main Pharmacy renovations and expansion are expected to be completed by July 2017. Reference the site and floor plans and the capital cost sheets that are attached to this letter.

Even though the project exceeds \$2,000,000, VMC believes that the proposed project is not subject to review under North Carolina’s Certificate of Need (CON) laws. VBEA’s proposed project meets the requirements found in G.S. 131E-184(g). This statute states:

- (g) The Department shall exempt from certificate of need review any capital expenditure that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(16)b. if all of the following conditions are met:
  - (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.

- (2) The capital expenditure does not result in (i) a change in bed capacity as defined in G.S. 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 G.S. 131E-176(16)b.
- (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 that it meets the exemption criteria of this subsection.

Specifically:

- a) The sole purpose of the capital expenditure is to renovate existing space that is located on the main campus of an existing health service facility
- b) The project does not result in a change (increase or decrease) in bed capacity nor does the project result in the addition of any other new institutional health service facilities or services.
- c) By this letter, VMC is providing prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.

VMC's proposal meets the requirements identified above and is therefore exempt from review. Therefore, VMC requests approval of a no review status for the proposed project. If you require additional information or clarification, please contact me at (252)-847-3631.

Sincerely,

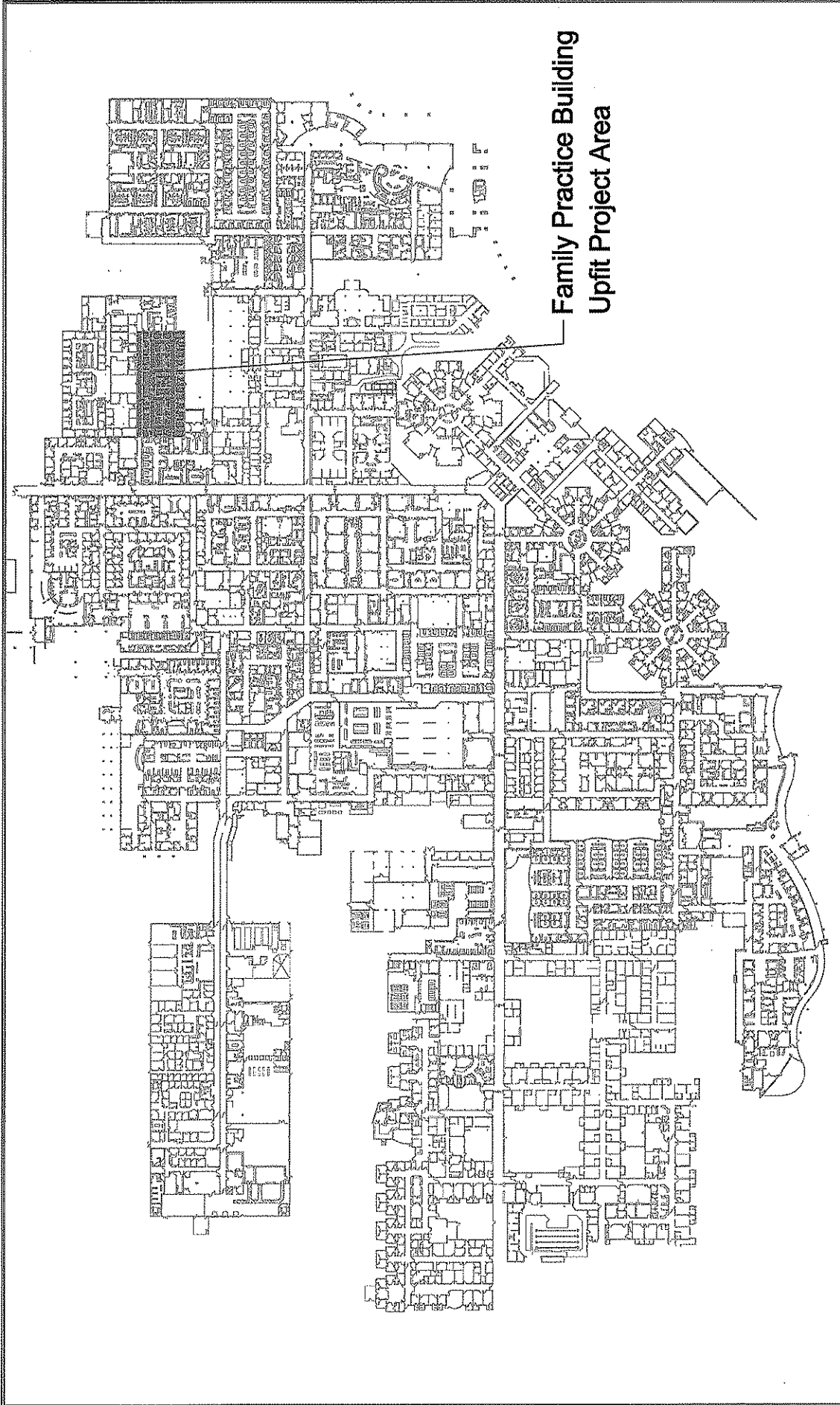


Jeffrey Shovelin  
Director of Corporate Planning  
Vidant Health

## CAPITAL COST SUMMARY

### Site Costs

(1) Full purchase price of land		\$	0	
	Acres 0 Price per Acre \$ _____			
(2) Closing costs		\$	0	
(3) Site Inspection and Survey		\$	0	
(4) Legal fees and subsoil investigation		\$	0	
(5) Site Preparation Costs [Include]				
	Soil Borings			
	Clearing and Grading			
	Roads and Parking			
	Sidewalks			
	Water and Sewer			
	Excavation and Backfill			
	Termite Treatment			
	Sub-Total Site Preparation Costs	\$	0	
(6) Other (Specify)		\$	0	
(7) Sub-Total Site Costs				\$ 0
Construction Contract				
(8) Cost of Materials [Include]				
	General Requirements			
	Concrete/Masonry			
	Woods/Doors & Windows/Finishes			
	Thermal & Moisture Protection			
	Equipment/Specialty Items			
	Mechanical/Electrical			
	Sub-Total Cost of Materials	\$	1,591,792	
(9) Cost of Labor		\$	2,387,688	
(10) Other		\$	0	
(11) Sub-Total Construction Contract				\$ 3,979,480
Miscellaneous Project Costs				
(12) Building Purchase		\$	0	
(13) Fixed Equipment Purchase/Lease		\$	0	
(14) Movable Equipment Purchase/Lease		\$	0	
(15) Furniture		\$	25,000	
(16) Landscaping		\$	0	
(17) Consultant Fees				
	Architect and Engineering Fees	\$	366,446	
	Legal Fees			
	Market Analysis			
	CON Preparation			
	Sub-Total Consultant Fees	\$	366,446	
(18) Financing Costs (e.g. Bond, Loan, etc.)		\$	0	
(19) Interest During Construction		\$	0	
(20) Other (Specify)		\$	0	
(21) Sub-Total Miscellaneous				\$ 391,446
(22) Total Project Capital Cost (Sum A-C above)		\$	4,370,926	



Family Practice Building  
Upfit Project Area



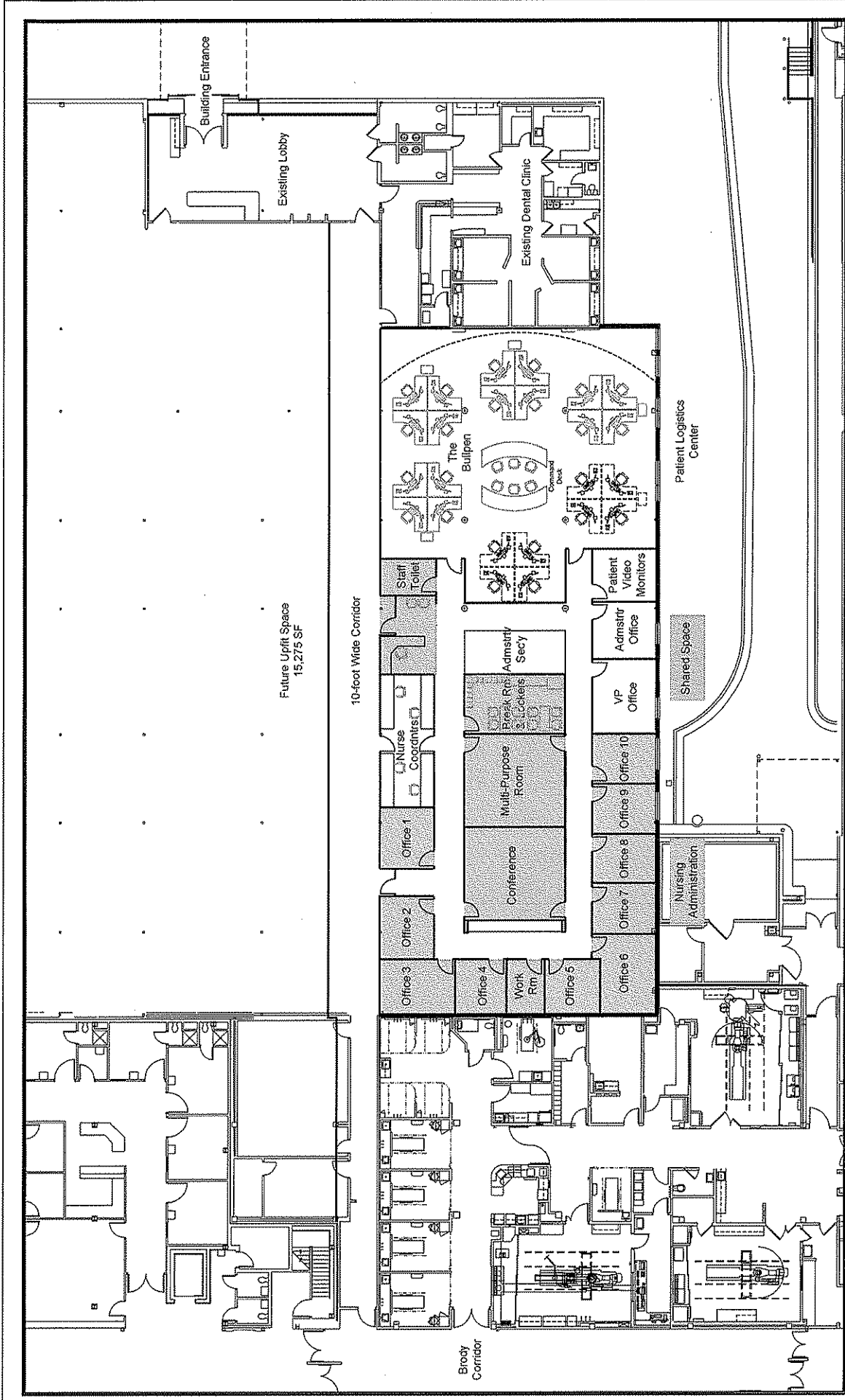
February 1, 2016



Nursing Administration and  
Patient Logistics Center

Family Practice Building Upfit  
Vidant Medical Center





**Family Practice Building Upfit**  
 Vidant Medical Center

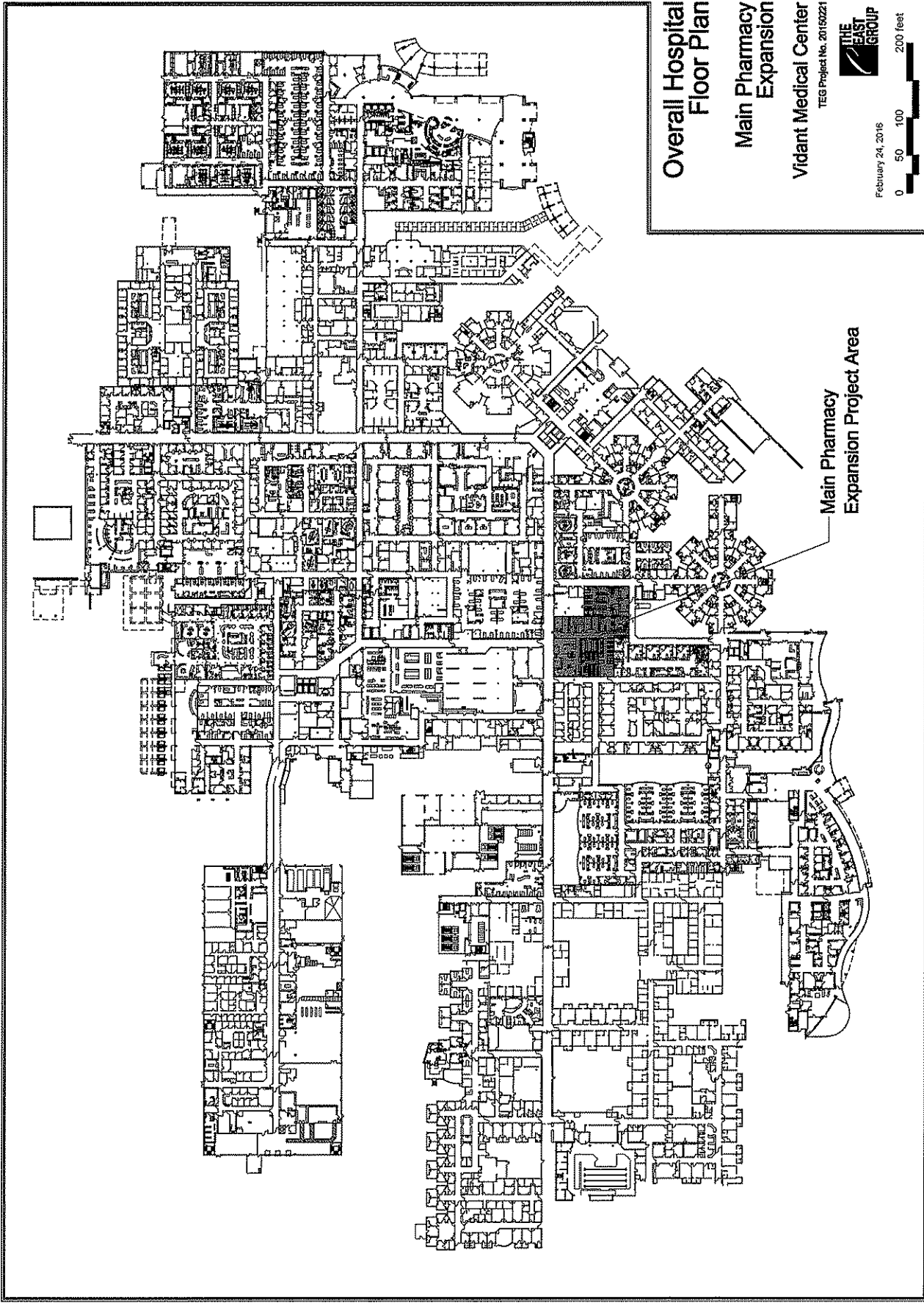
**Nursing Administration and  
 Patient Logistics Center**

February 1, 2016  
 0 4 8 16 32 40 feet



## CAPITAL COST SUMMARY

<u>Site Costs</u>			
(1) Full purchase price of land	Acres 0 Price per Acre \$ _____	\$	0
(2) Closing costs		\$	0
(3) Site Inspection and Survey		\$	0
(4) Legal fees and subsoil investigation		\$	0
(5) Site Preparation Costs [Include]			
Soil Borings			
Clearing and Grading			
Roads and Parking			
Sidewalks			
Water and Sewer			
Excavation and Backfill			
Termite Treatment			
Sub-Total Site Preparation Costs		\$	0
(6) Other (Specify)		\$	0
(7) Sub-Total Site Costs			\$ 0
<b>Construction Contract</b>			
(8) Cost of Materials [Include]			
General Requirements			
Concrete/Masonry			
Woods/Doors & Windows/Finishes			
Thermal & Moisture Protection			
Equipment/Specialty Items			
Mechanical/Electrical			
Sub-Total Cost of Materials		\$	752,412
(9) Cost of Labor		\$	1,128,618
(10) Other		\$	0
(11) Sub-Total Construction Contract			\$ 1,881,030
<b>Miscellaneous Project Costs</b>			
(12) Building Purchase		\$	0
(13) Fixed Equipment Purchase/Lease		\$	0
(14) Movable Equipment Purchase/Lease		\$	288,395
(15) Furniture		\$	0
(16) Landscaping		\$	0
(17) Consultant Fees			
Architect and Engineering Fees		\$	171,575
Legal Fees			
Market Analysis			
CON Preparation			
Sub-Total Consultant Fees		\$	171,575
(18) Financing Costs (e.g. Bond, Loan, etc.)		\$	0
(19) Interest During Construction		\$	0
(20) Other (Specify)		\$	0
(21) Sub-Total Miscellaneous			\$ 459,970
(22) Total Project Capital Cost (Sum A-C above)		\$	2,341,000



# Overall Hospital Floor Plan

Main Pharmacy Expansion

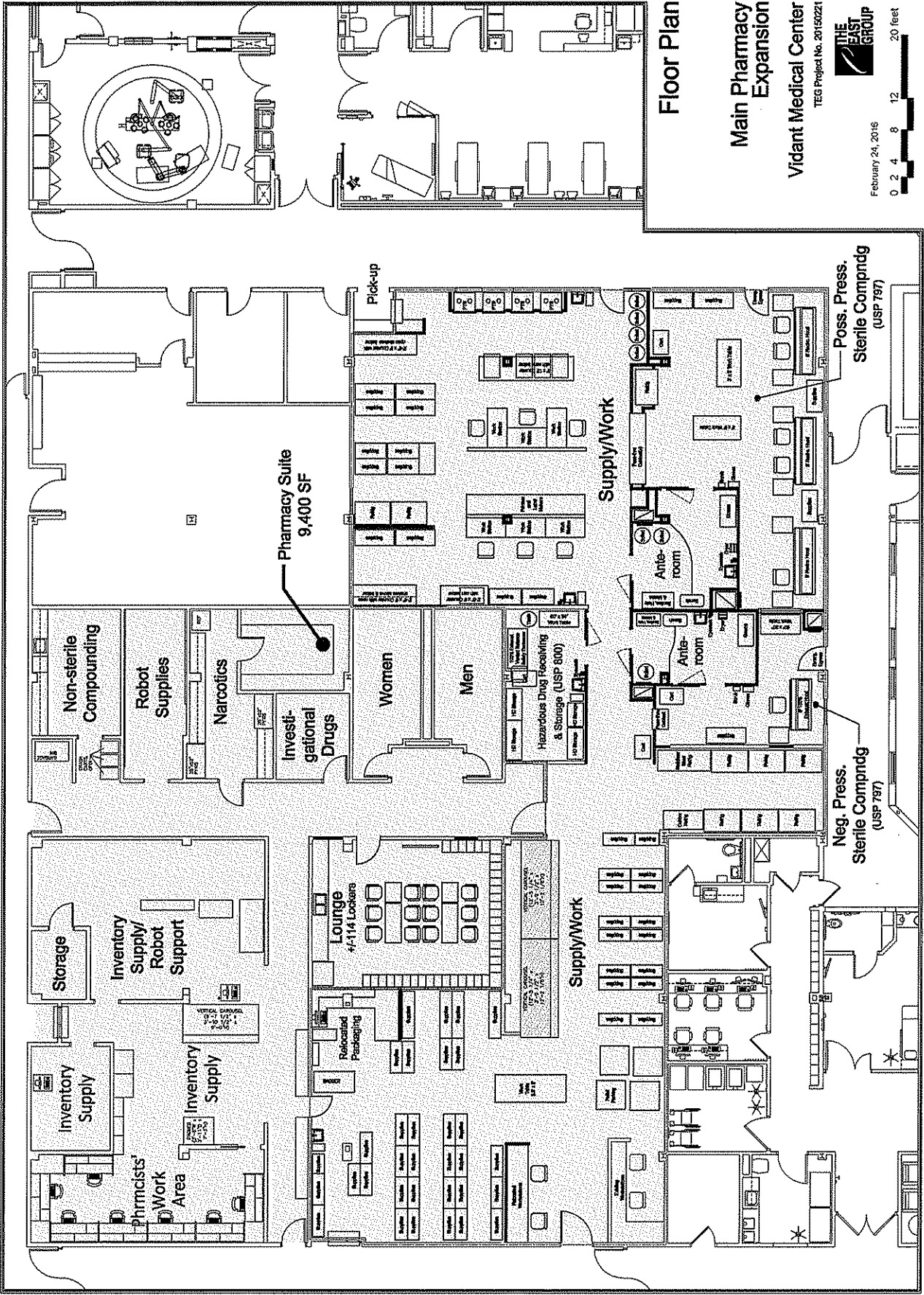
Vidant Medical Center  
TEG Project No. 20150221



February 24, 2016



Main Pharmacy Expansion Project Area



**Floor Plan**

**Main Pharmacy Expansion**

Vidant Medical Center  
TEG Project No. 20150221



February 24, 2016

