



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

October 3, 2016

Catharine W. Cummer, Regulatory Counsel, Strategic Planning
Duke University Health System
3100 Tower Blvd, Suite 1300
Durham NC 27707

Exempt from Review – Physician Office

Record #: 2069
Business Name: Duke University Health System
Business #: 639
Project Description: Relocation of outpatient rehabilitation clinics to a physician office building on Six Forks Road in Raleigh
County: Wake

Dear Ms. Cummer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of September 21, 2016, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(9). 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 the Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed physician office.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by the Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Michael J. McKillip
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

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Duke University Health System

Catharine W. Cummer
Regulatory Counsel, Strategic Planning



September 21, 2016

Via Electronic Mail

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

Re: Exemption Notice/Duke Raleigh Hospital

Dear Ms. Frisone:

The purpose of this letter is to provide notice of the relocation of two clinics from the Duke Raleigh Hospital campus to a new off-campus location at 5908 Sandy Forks Road in Raleigh, and to seek confirmation that this project is exempt from certificate of need review.

Specifically, Duke Raleigh Hospital is moving both a physical and occupational therapy clinic and a cardiac and pulmonary rehab clinic to this location; physicians will supervise the cardiac and pulmonary rehab classes scheduled every day. We have previously notified the CON Section of the development of a physician office building on this site to accommodate a Duke Primary Care practice (notice dated December 18, 2015). The combined costs to renovate space to accommodate the additional clinics will be greater than \$2 million.

The space will be classified as Business Occupancy by the Life Safety Code of the National Fire Protection Association as referenced under 42 C.F.R. § 482.41 and will not include any diagnostic equipment or other regulated assets. Pursuant to NCGS § 131E-76, such hospital outpatient departments are not included in the definition of a hospital facility. Therefore, we understand that although the relocated facilities will remain outpatient departments of Duke Raleigh Hospital, these moves would not be considered to be expansions of a health service facility for purposes of CON requirements. Rather, the relocations are appropriately considered as the development of a physician office building exempt pursuant to NCGS 131E-184(9).

Ms. Martha Frisone
September 21, 2016
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If you have questions about this notice, please let me know.

Very truly yours,

A handwritten signature in cursive script that reads "Catharine W. Cummer". The signature is written in black ink and is positioned above the printed name.

Catharine W. Cummer