



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

March 9, 2017

Elizabeth Kirkman  
CHS Strategic Services Group  
2709 Water Ridge Parkway, Suite 200  
Charlotte, North Carolina 28217

**Exempt from Review**

**Record #:** 2186  
**Facility Name:** Carolinas Medical Center (CMC)  
**FID #:** 943070  
**Business Name:** The Charlotte-Mecklenburg Hospital Authority  
**Business #:** 1772  
**Project Description:** Renovation of Hematological Oncology Unit and related spaces and relocation of five licensed acute care beds within CMC  
**County:** Mecklenburg

Dear Ms. Kirkman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of February 20, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §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 & 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.

**HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION**

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

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



Ms. Elizabeth Kirkman  
March 9, 2017  
Page 2

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



Carolinus HealthCare System

February 20, 2017

Ms. Martha Frisone, Assistant Chief  
Healthcare Planning and Certificate of Need Section  
Division of Health Service Regulation  
809 Ruggles Drive  
Raleigh, NC 27603



**RE: Request for Exemption from Review to Renovate the Hemotological Oncology Unit and Related Space on 4 Tower at The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center (CMC)**

Dear Ms. Frisone:

I am writing to inform you of The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center's plan to renovate its Hemotological Oncology Unit ("HemOnc Unit") and related space located in 4 Tower on CMC's main campus.

Pursuant to N.C.G.S. 131E-184(g), "[t]he 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 any 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 written notice to the Department along with support documentation to demonstrate that it meets the exemption criteria of this subsection."*

N.C.G.S. 131E-176(14n) states "'Main campus' means all of the following for the purposes of G.S. 131E-184(f) and (g) only:

- a. *The site of the main building from which a licensed health service facility provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building.*
- b. *Other areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building."*

The Carolinas Medical Center HemOnc Unit renovation project meets each of the applicable conditions set forth above. The estimated total capital cost of the project exceeds \$2,000,000 (see Attachment A for a capital cost worksheet and a certified construction cost estimate). The proposed project involves the renovation of an existing health service facility located at 1000 Blythe Boulevard, Charlotte, NC 28203, which is the site from which Carolinas Medical Center provides clinical patient services and exercises financial and administrative control over the entire facility (see Attachment B). Carolinas Medical Center's President's office is located on the second floor of the main hospital building. Please see a copy of Carolinas Medical Center's license in Attachment C.

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The project consists of renovation only and does not involve a change in bed capacity as defined in G.S. 131E-176(5) or the addition of a health service facility or a new institutional health service. The project will not increase the number of operating rooms or gastrointestinal rooms. The project will not result in the acquisition of major medical equipment or the offering of health services not currently provided.

The project involves the renovation of space on the fourth, ninth, tenth and eleventh floors as well as the first level of the Annex of Carolinas Medical Center (see Attachment D for floor plans).

#### HemOnc Unit Renovations

In 2012, CMC renovated existing space on the fourth floor (4B) for a 16-bed medical/surgical unit (#F-8827-12) to house existing adult hematologic oncology services. CMC is now proposing to renovate existing medical/surgical space (4T) in order to accommodate additional adult hematologic oncology patients. Hematologic oncology patients are immunocompromised and highly susceptible to infections. The proposed project will enable CMC to provide a controlled environment for additional hematologic oncology patients.

The project involves renovation of space primarily on the fourth floor but also includes minor renovations on the ninth, tenth and eleventh floors in addition to the first level of the Annex on CMC's main campus. There are currently 35 licensed medical/surgical beds on the fourth floor tower ("4T"). Following completion of construction, there will be 30 licensed beds on 4T. The five remaining licensed medical/surgical beds will be relocated within CMC as follows:

- One licensed medical/surgical bed to 9T room 9930
- Two licensed medical/surgical beds to 8L rooms 8621 and 8622
- Two licensed medical surgical beds to 10A rooms 10125 and 10127

This project also includes renovations to the stem cell lab and the oncology pharmacy. The pharmacy is currently located on 2L. Following completion of the proposed project, the oncology portion of the pharmacy will be relocated to the fourth floor in what is currently PT/OT office and storage space. PT/OT office and storage space will be relocated to the fourth floor, the ninth floor, the tenth floor, and the eleventh floor. In addition, PT/OT will relocate offices to the first floor of the Annex building.

Summary

Based on the above facts, the project is exempt from certificate of need review. We are requesting that you confirm in writing that Carolinas Medical Center's HemOnc Unit renovation is exempt from certificate of need review and that we may proceed as planned with this project.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth Kirkman". The signature is written in a cursive, flowing style.

Elizabeth Kirkman  
Assistant Vice President  
CHS Strategic Services Group

cc: W. Spencer Lilly, President, Carolinas Medical Center

Attachments

# Attachment A

**PROPOSED TOTAL CAPITAL COST OF PROJECT**

**Project name:** CMC 4T Hematological Oncology Expansion  
**Provider/Company:** McCulloch England Associates Architects

**A. Site Costs**

(1) Full purchase price of land	_____	_____
Acres	_____	
(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		_____
Other (Specify)		_____
Sub-Total Site Preparation Costs		_____
(6) Other (Specify)		_____
(7) <b>Sub-Total Site Costs</b>		_____

**B. Construction Contract**

(8) Cost of Materials		
General Requirements		_____
Concrete/Masonry		_____
Woods/Doors & Windows/Finishes		_____
Thermal & Moisture Protection		_____
Equipment/Specialty Items		_____
Mechanical/Electrical		_____
Other (Specify)		_____
Sub-total Cost of Materials		_____
(9) Cost of Labor		_____
(10) Other (Specify)		_____
(11) <b>Sub-Total Construction Contract</b>		<u>\$13,609,077</u>

**C. Miscellaneous Project Costs**

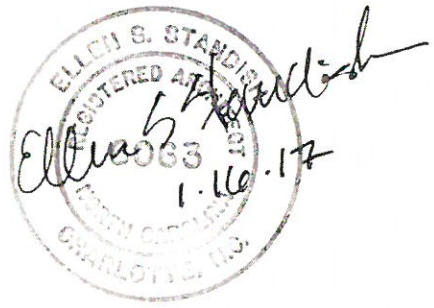
(12) Building Purchase		_____
(13) Fixed Equipment Purchase/Lease		<u>\$388,345</u>
(14) Movable Equipment Purchase/Lease		<u>\$2,251,529</u>
(15) Furniture		<u>\$430,190</u>
(16) Landscaping		_____
(17) Consultant Fees		
Architect and Engineering Fees		<u>\$1,119,240</u>
Legal Fees		_____
Market Analysis		_____
Other (Predesign, Commissioning,		<u>\$1,401,619</u>
Material and Electrical Testing,		
Move Services, Interiors, IR		
Allocation, Test & Balance		_____
Other (Abatement)		_____
Sub-Total Consultant Fees		<u>\$2,422,967</u>
(18) Financing Costs (e.g., Bond, Loan, etc.)		_____
(19) Interest During Construction		_____
(20) Other (Contingency)		<u>\$800,000</u>
(21) <b>Sub-Total Miscellaneous</b>		<u>\$6,390,923</u>
(22) <b>Total Capital Cost of Project (Sum A-C above)</b>		<u><u>\$20,000,000</u></u>

**PROPOSED TOTAL CAPITAL COST OF PROJECT**

**Project Name:** CMC 4T Hematological Oncology Expansion  
**Provider/Company:** McCulloch England Associates Architects

*I certify that, to the best of my knowledge, the above construction related costs of the proposed project named above are complete and correct.*

*Ellen S Standish*  
\_\_\_\_\_  
(Signature of Licensed Architect or Engineer)





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

January 13, 2017  
H1636/17



Ms. Amy Godwin  
Project Manager / Project Leader  
Carolinas HealthCare System  
1400 East Morehead Street, Suite M  
Charlotte, NC 28204

Re: CON Letter of Exemption  
CMC Hematological Oncology Expansion  
4T Wing; Pharmacy-4I, Stem Cell Lab-4M, PT/OT-Annex building, 4M,  
9T, 10T and 11T  
OSR 2866755  
Carolinas HealthCare System  
Charlotte, North Carolina

Dear Amy:

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**

**LCI Hematological Oncology Expansion**

Estimated Construction Cost: \$13,609,077.00  
(Includes contingencies)

**Preliminary Estimated Construction Schedule**

- 12 Months

The Preliminary Construction Cost Estimate and schedule duration have been established with the assistance of JE Dunn Construction 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 costs, IT systems costs, or other costs generally attributable to a project of this nature.

If you should require any additional information, please do not hesitate to contact me.

Sincerely,

McCulloch England Associates Architects

A handwritten signature in black ink that reads 'Ellen S. Standish'.

Ellen S. Standish, AIA LEED AP

Vice President

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



# Attachment B

**COLOR KEY**

-  RENOVATION
-  EXISTING BUILDING
-  UNDERGROUND CONNECTION



**Site Plan**

Carolinas HealthCare System

02-20-2017

**Hematological Oncology Renovations**

Carolinas Medical Center



# Attachment C

# State of North Carolina

## Department of Health and Human Services Division of Health Service Regulation

*Effective January 01, 2017, this license is issued to  
The Charlotte-Mecklenburg Hospital Authority*

*to operate a hospital known as  
Carolinas Medical Center/Center for Mental Health  
located in Charlotte, North Carolina, Mecklenburg County.*

*This license is issued subject to the statutes of the  
State of North Carolina, is not transferable and shall remain  
in effect until amended by the issuing agency.*

*Facility ID: 943070  
License Number: H0071*

***Bed Capacity: 1166***

*General Acute 1010, Rehabilitation 13, Psych 132, Substance Abuse 11,*

**Dedicated Inpatient Surgical Operating Rooms: 10**

**Dedicated Ambulatory Surgical Operating Rooms: 11**

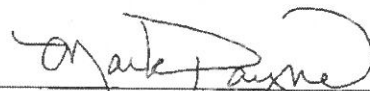
**Shared Surgical Operating Rooms: 41**

**Dedicated Endoscopy Rooms: 12**

Authorized by:

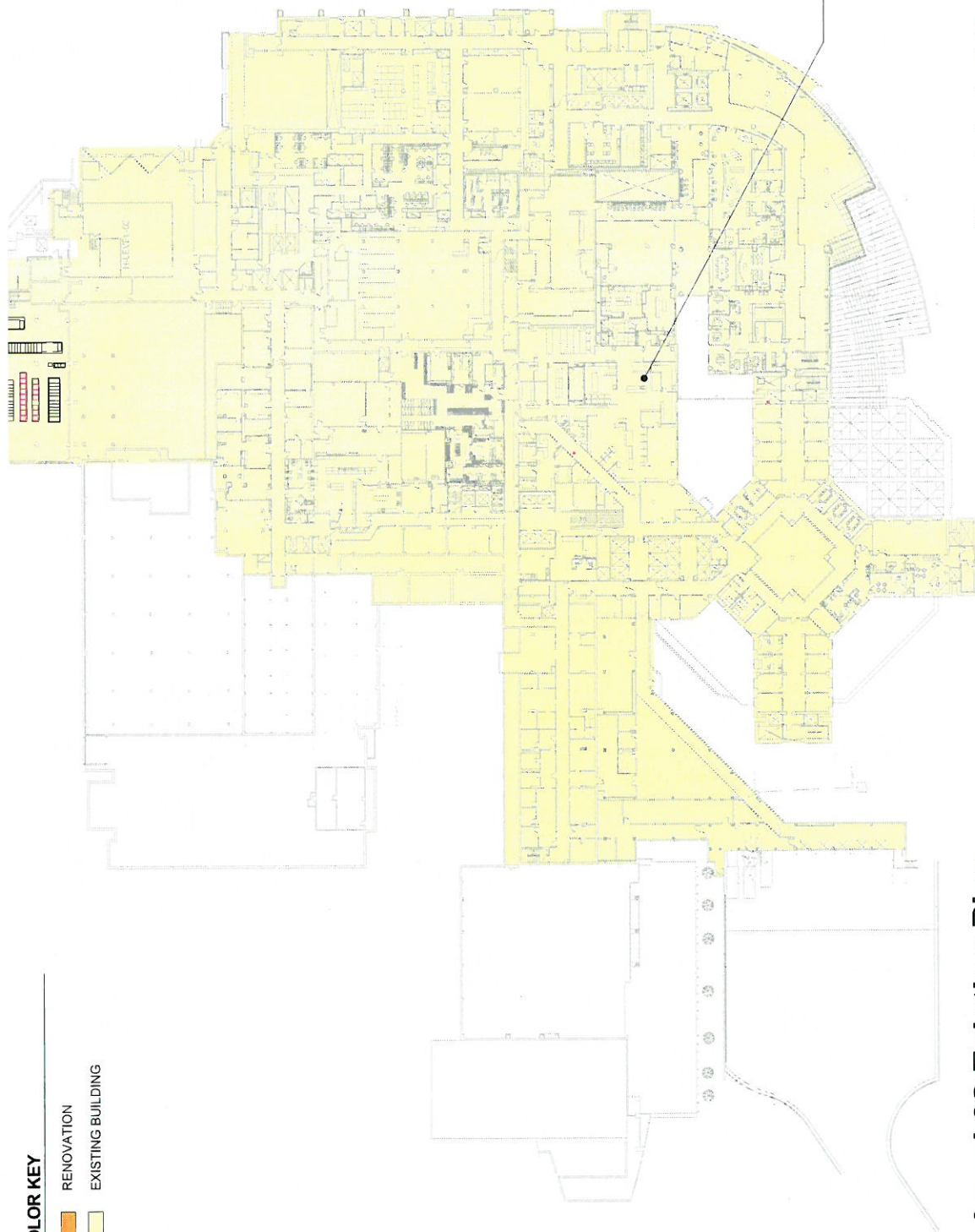


Secretary, N.C. Department of Health and  
Human Services



Director, Division of Health Service Regulation

# Attachment D



**COLOR KEY**

- RENOVATION
- EXISTING BUILDING

MAIN  
PHARMACY

**Level 02 Existing Plan**

Carolinas HealthCare System

**Hematological Oncology Renovations**

Carolinas Medical Center

02-20-2017



**COLOR KEY**

-  RENOVATION
-  EXISTING BUILDING



MAIN PHARMACY

**Level 02 Enlarged Existing Plan**

Carolinas HealthCare System

02-20-2017

**Hematological Oncology Renovations**

Carolinas Medical Center





**COLOR KEY**

RENOVATION

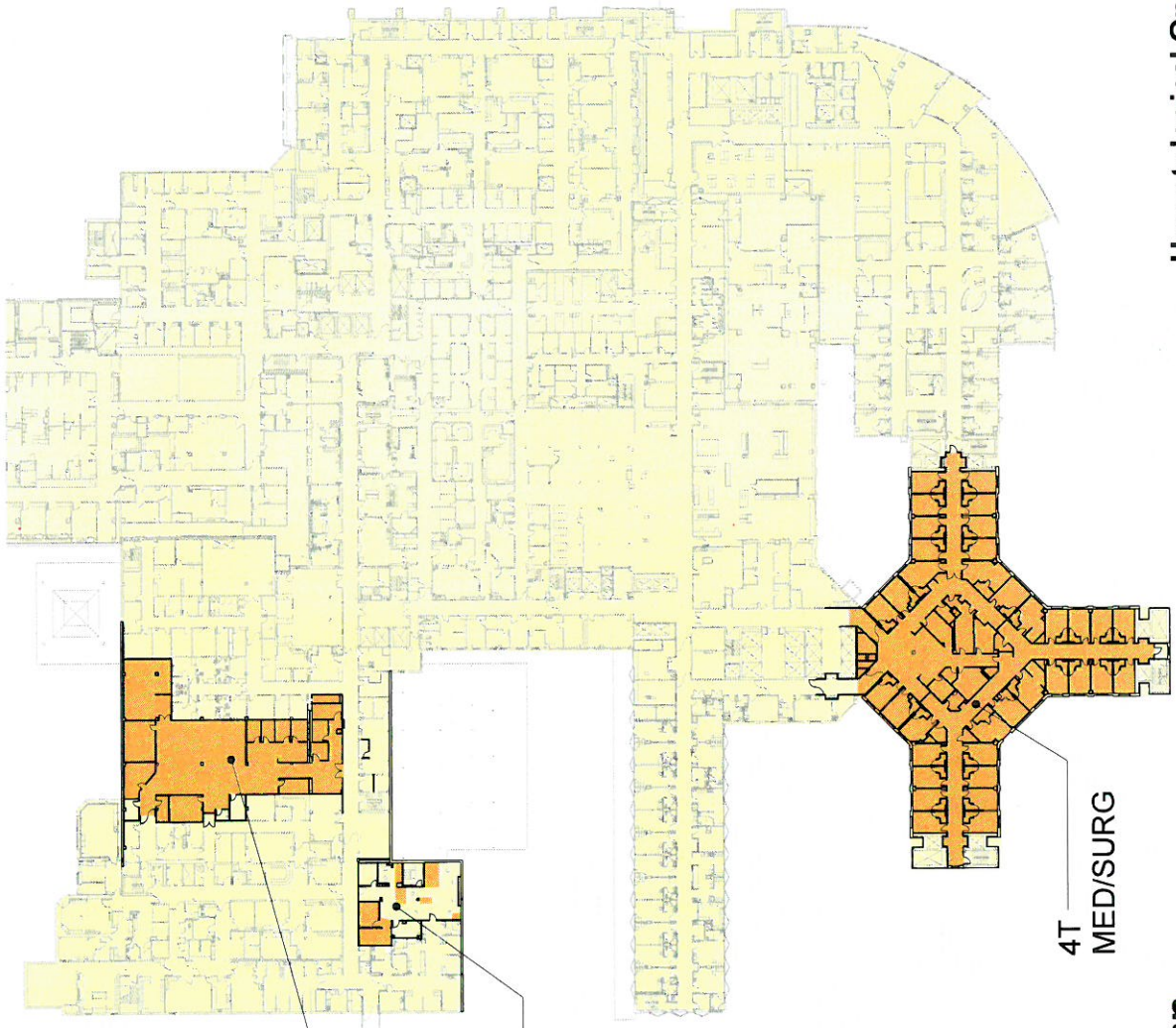
EXISTING BUILDING



PT-OT

4M STEM CELL  
LAB

4T  
MED/SURG



**Level 04 Existing Plan**

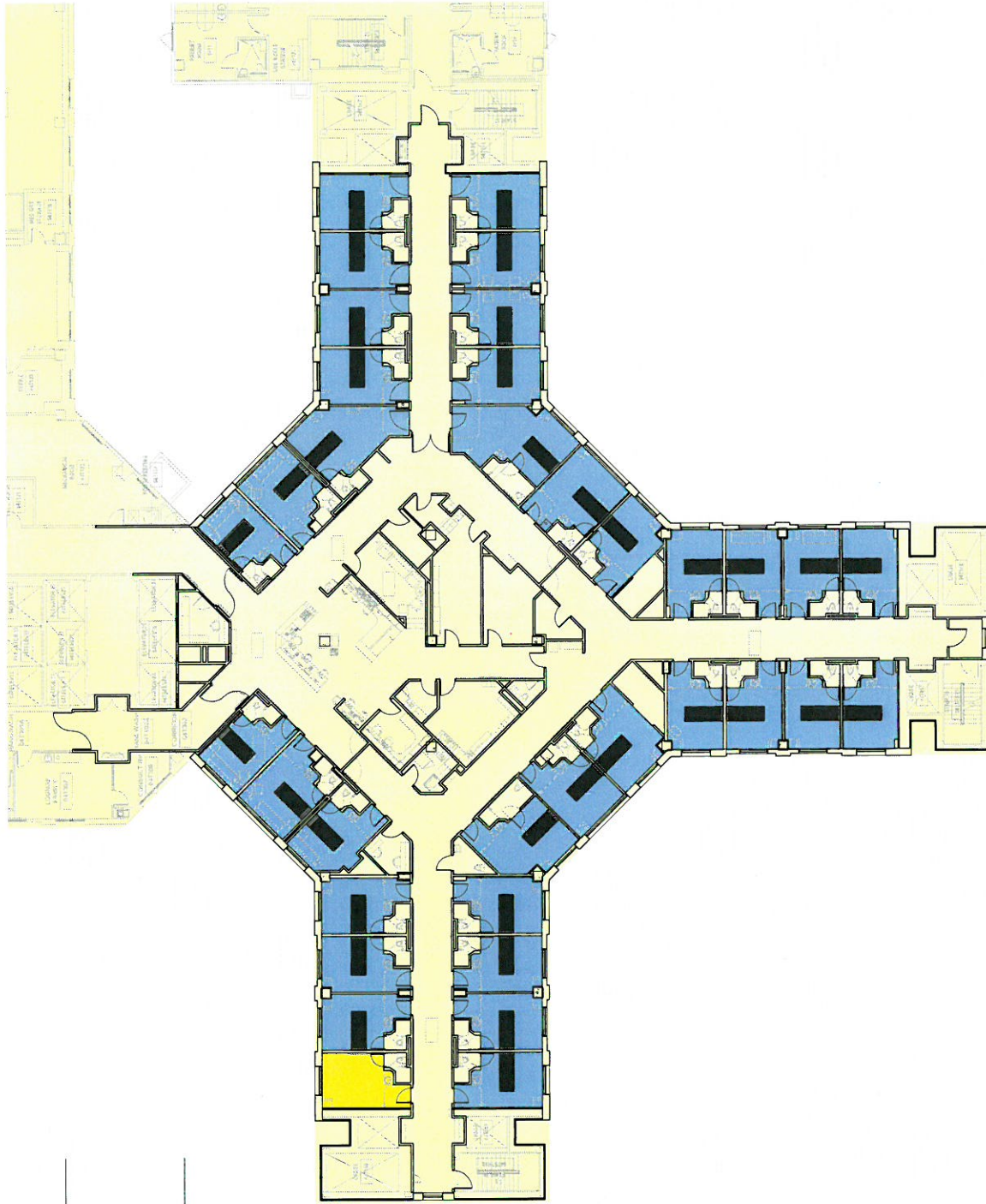
Carolinas HealthCare System



**Hematological Oncology Renovations**

Carolinas Medical Center

02-20-2017



**COLOR KEY**

- RENOVATION
- EXISTING BUILDING

**BED LICENSE LEGEND**

- LICENSED PATIENT ROOM
  - LICENSED PATIENT BED
  - OBSERVATION ROOM
- (35 LICENSED BEDS)

**Level 04 Enlarged Existing Plan**

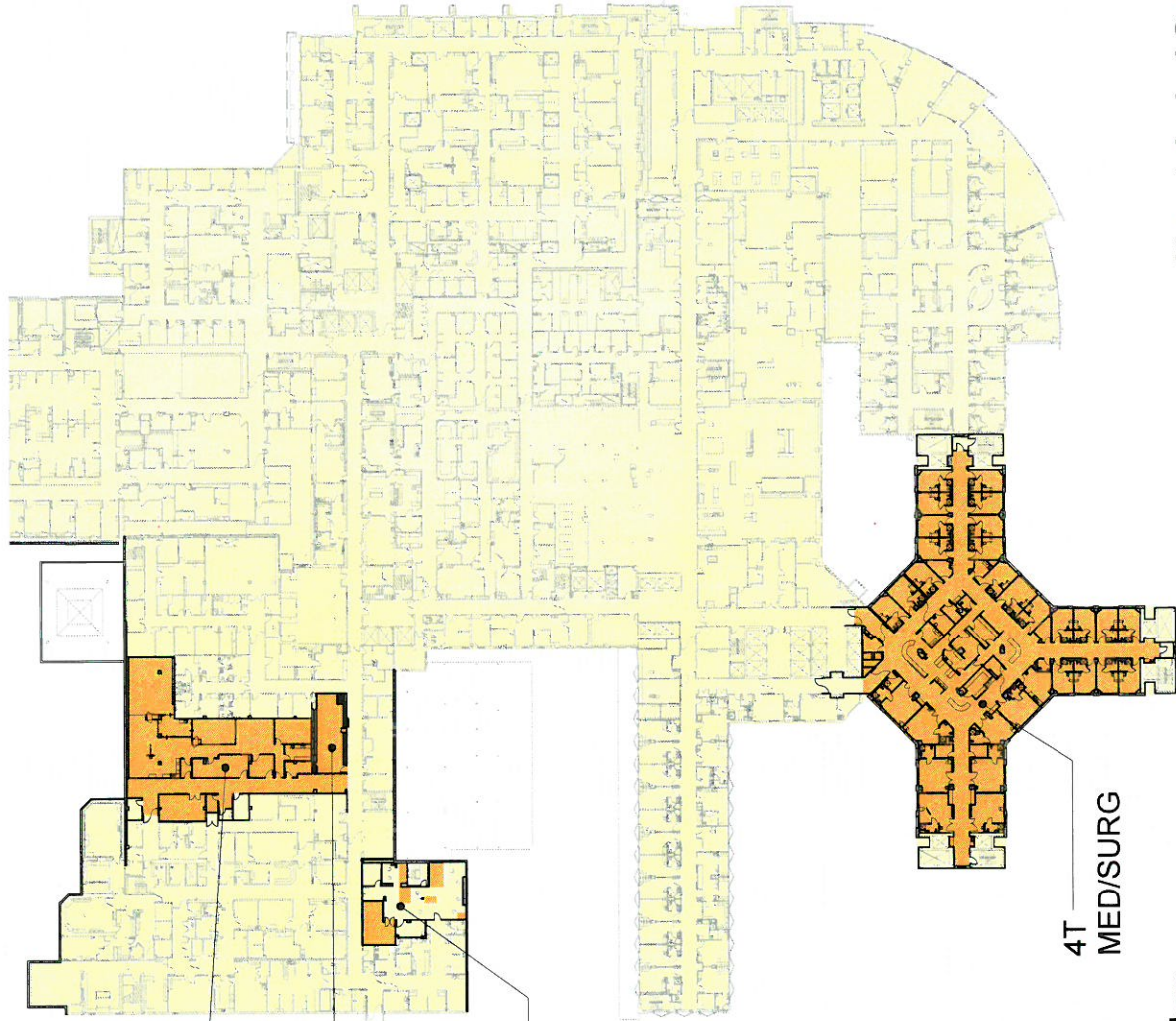
Carolinas HealthCare System



Hematological Oncology Renovations

Carolinas Medical Center

02-20-2017



**COLOR KEY**

- RENOVATION
- EXISTING BUILDING

PHARMACY

PT-OT

4M STEM CELL  
LAB

4T  
MED/SURG

**Level 04 Proposed Plan**

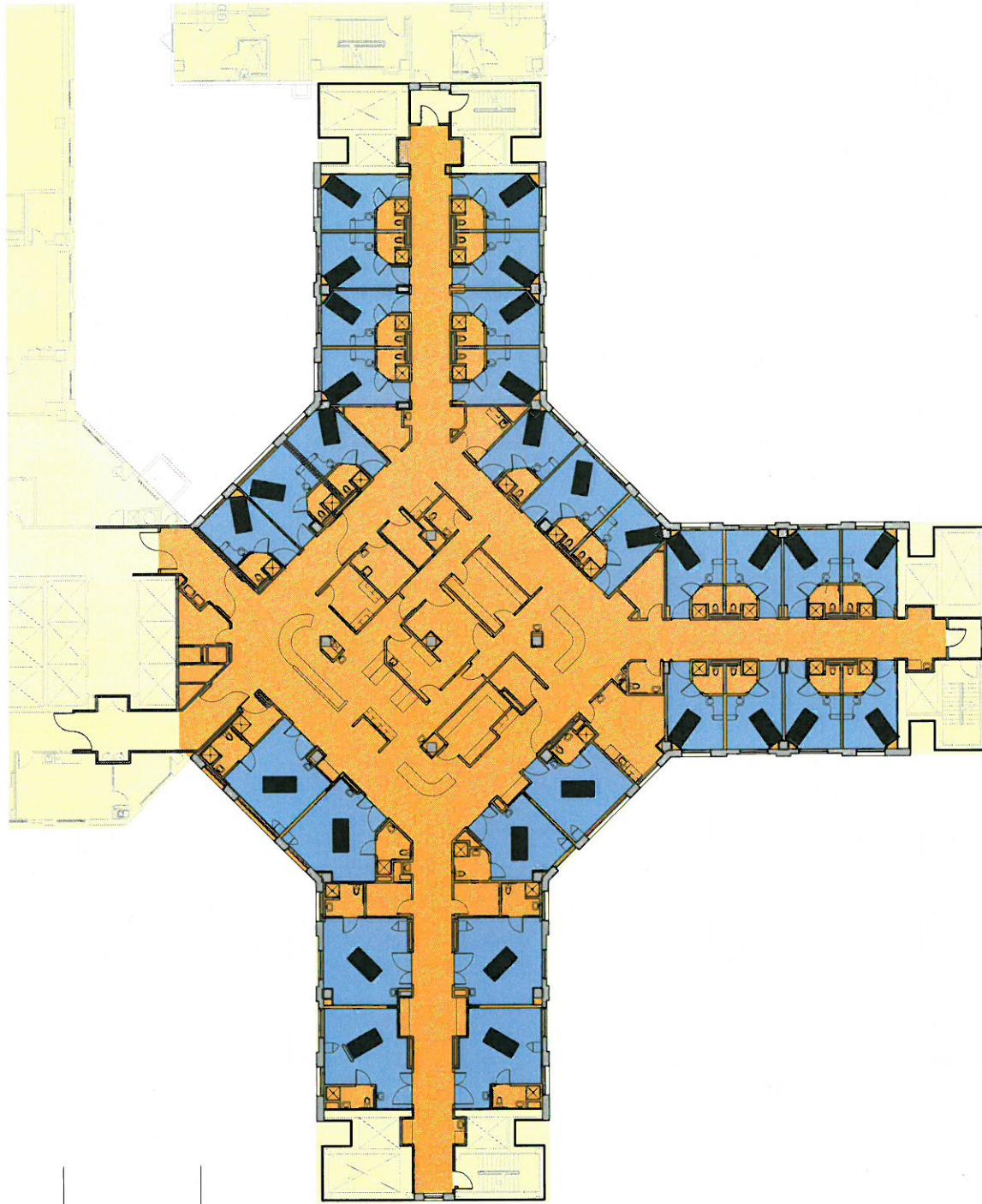
Carolinas HealthCare System

**Hematological Oncology Renovations**

02-20-2017

Carolinas Medical Center





**COLOR KEY**

- RENOVATION
- EXISTING BUILDING
- PATIENT ROOM

**BED LICENSE LEGEND**

- LICENSED PATIENT ROOM
  - LICENSED PATIENT BED
  - OBSERVATION ROOM
- (30 LICENSED BEDS)

**Level 04 Enlarged Proposed Plan**

Carolinas HealthCare System



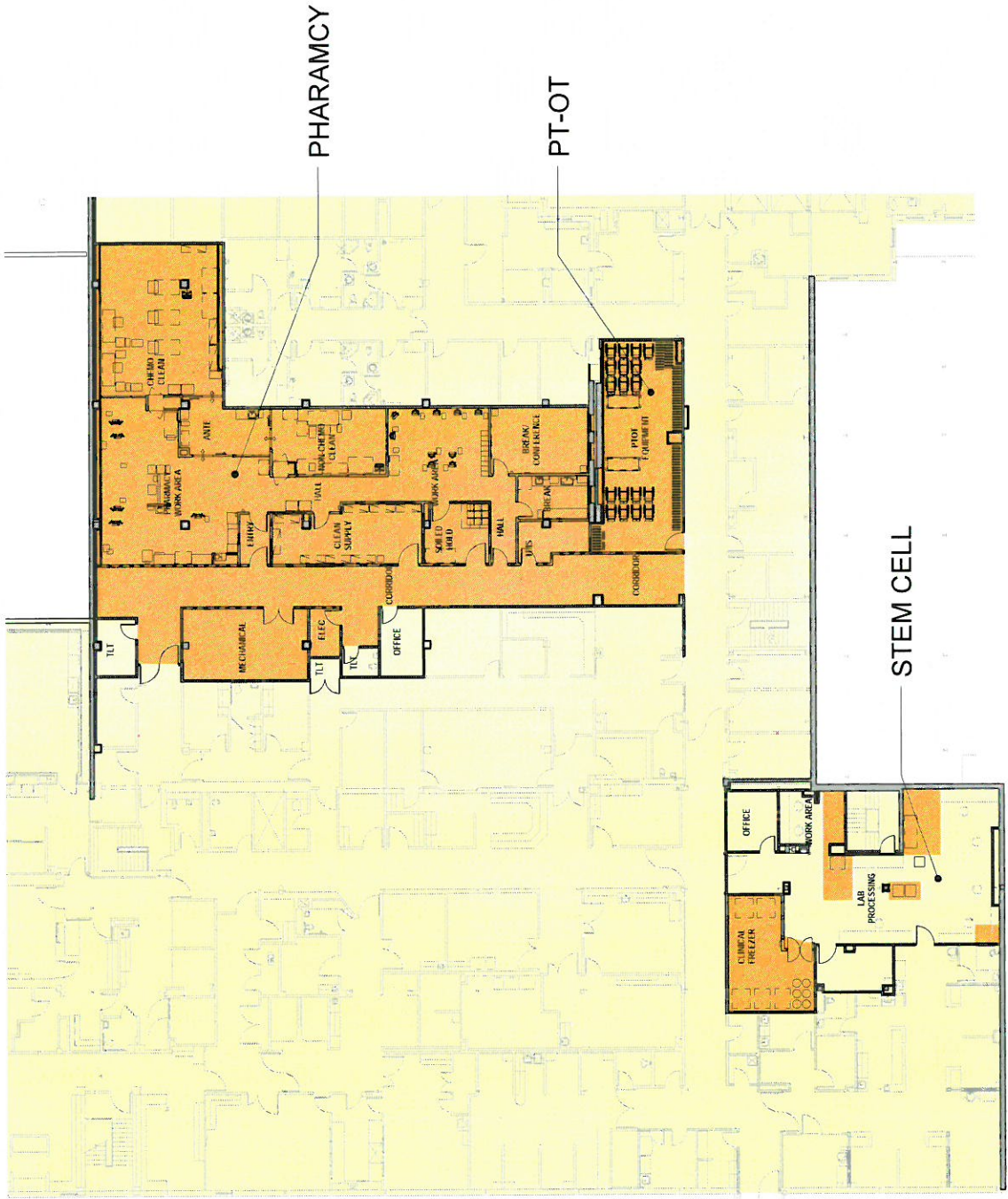
Hematological Oncology Renovations

Carolinas Medical Center

02-20-2017

**COLOR KEY**

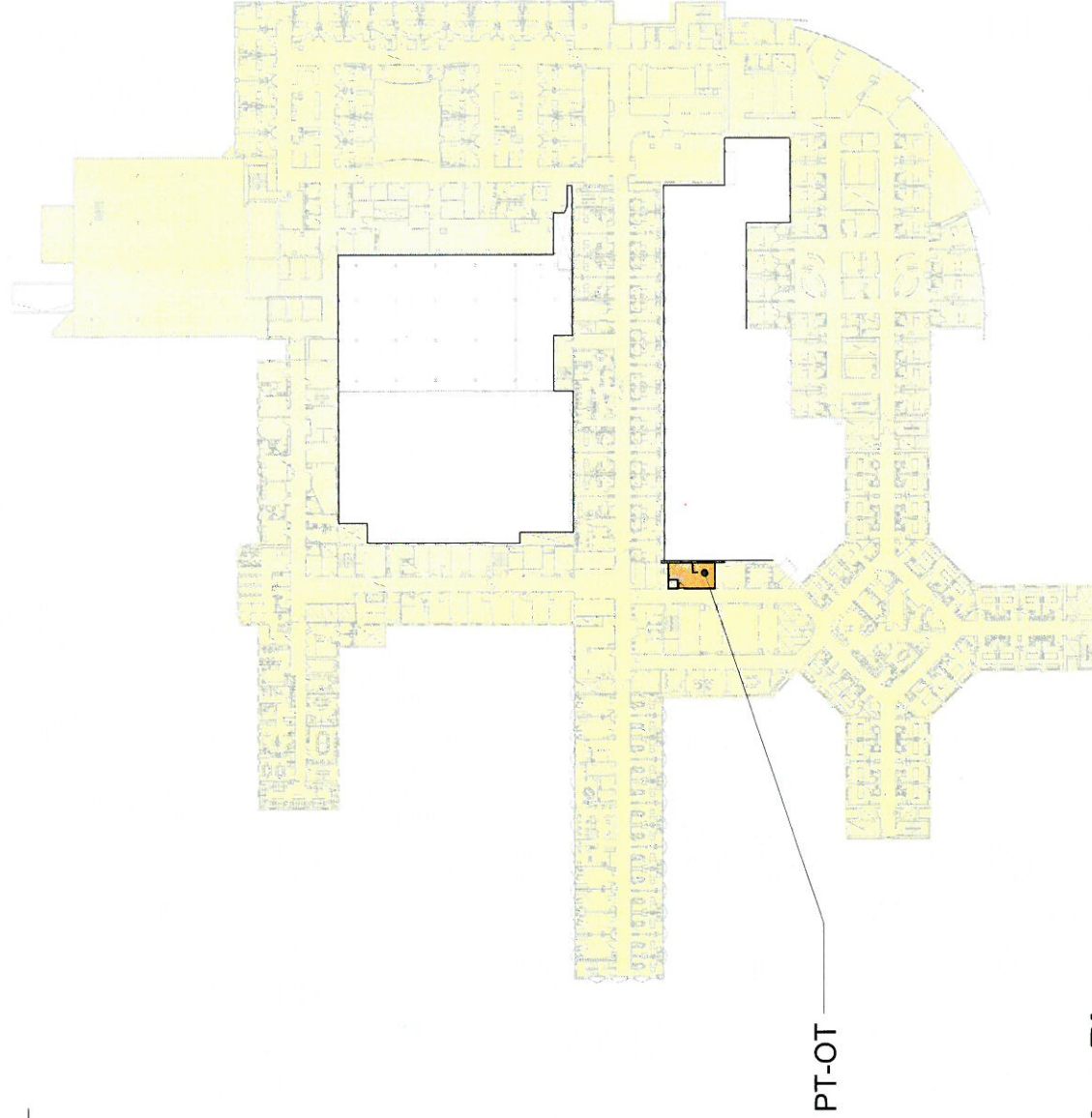
- RENOVATION
- EXISTING BUILDING



**Level 04 Enlarged Proposed Pharmacy/Stem Cell/PT-OT Hematological Oncology Renovations**

**COLOR KEY**

- RENOVATION
- EXISTING BUILDING



PT-OT

**Level 09 Existing Plan**

Carolinas HealthCare System



**Hematological Oncology Renovations**

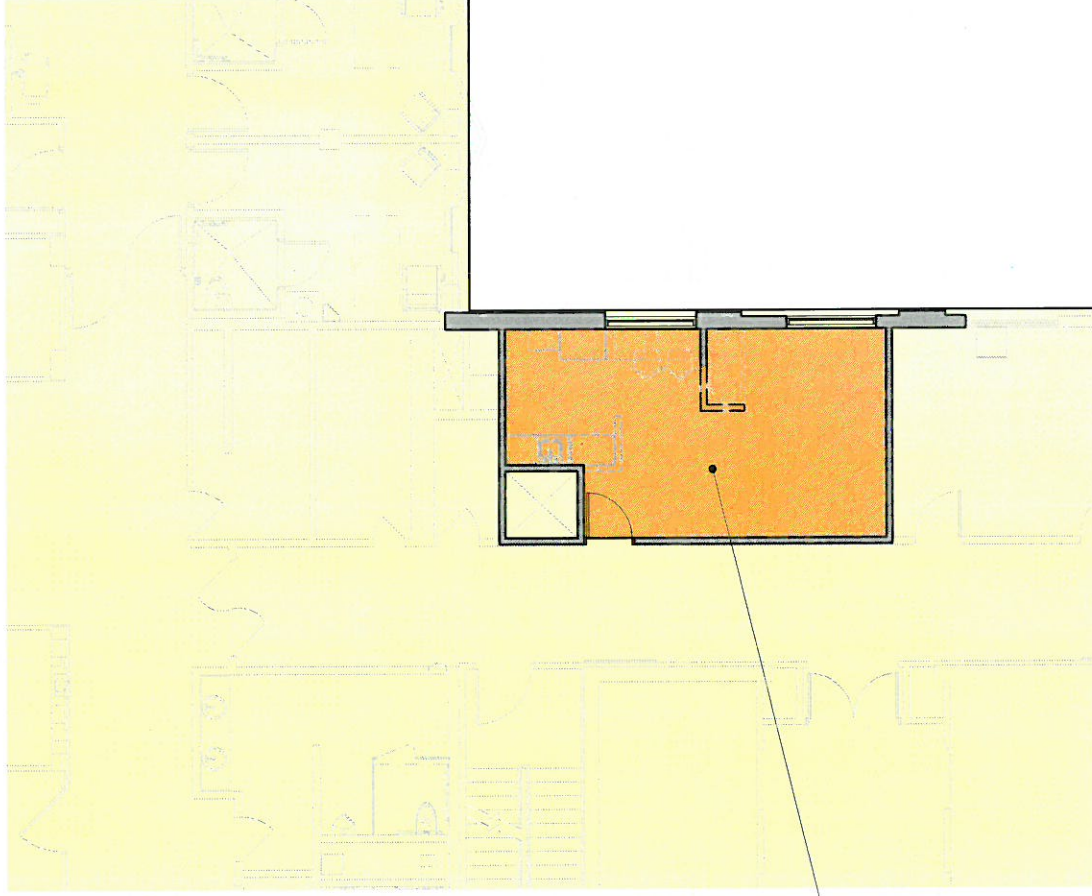
Carolinas Medical Center

02-20-2017

**COLOR KEY**

RENOVATION

EXISTING BUILDING



PT-OT

**Level 09 Enlarged Proposed Plan**

Carolinas HealthCare System

02-20-2017

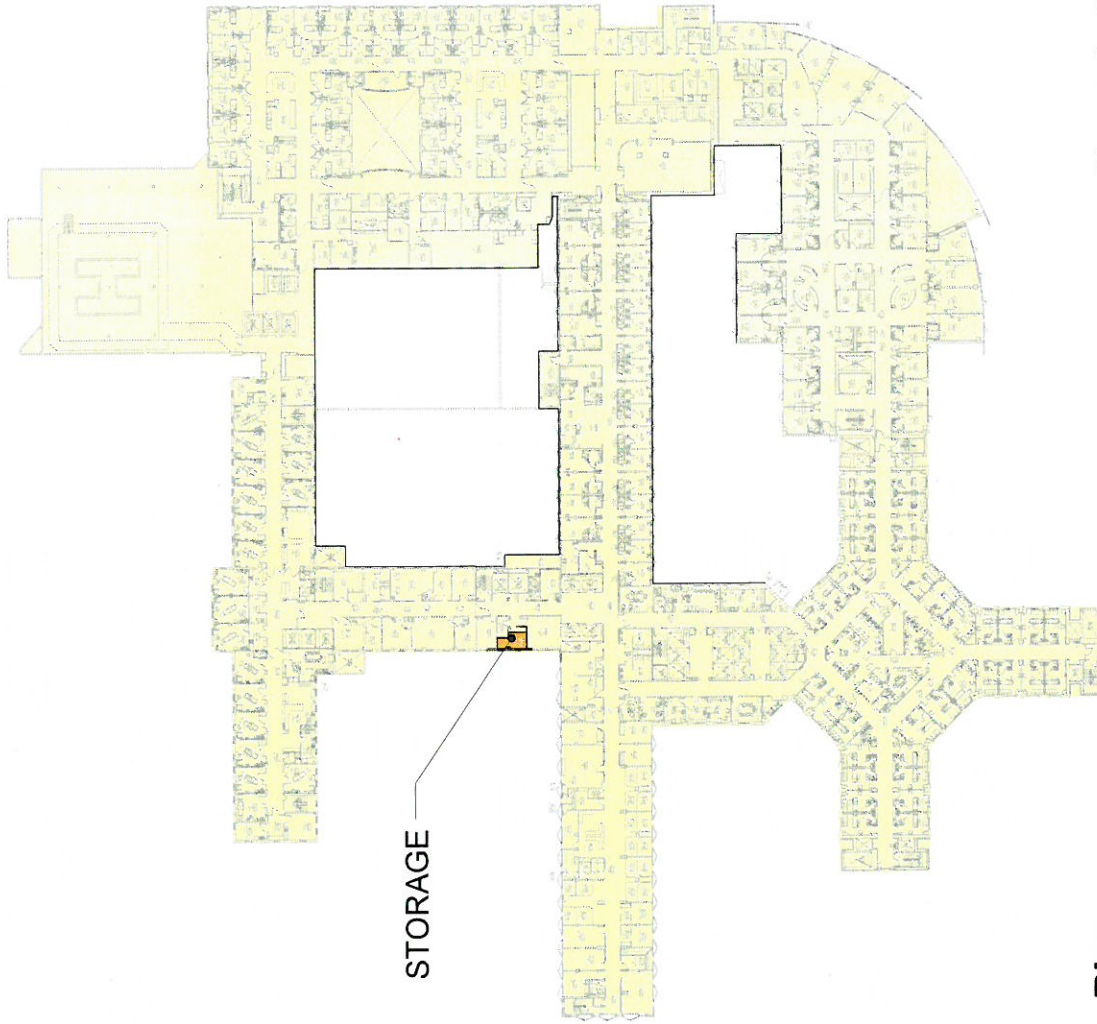
**Hematological Oncology Renovations**

Carolinas Medical Center



**COLOR KEY**

-  RENOVATION
-  EXISTING BUILDING



**Level 10 Existing Plan**

Carolinas HealthCare System

02-20-2017

**Hematological Oncology Renovations**

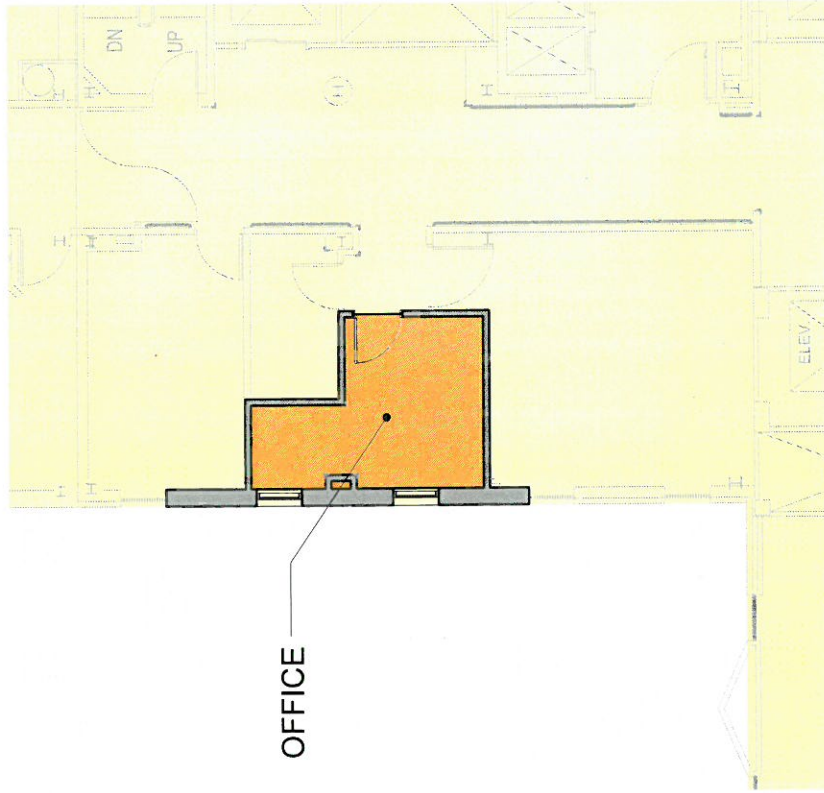
Carolinas Medical Center





**COLOR KEY**

- RENOVATION
- EXISTING BUILDING



**Level 10 Enlarged Proposed Plan**

Carolinas HealthCare System

02-20-2017

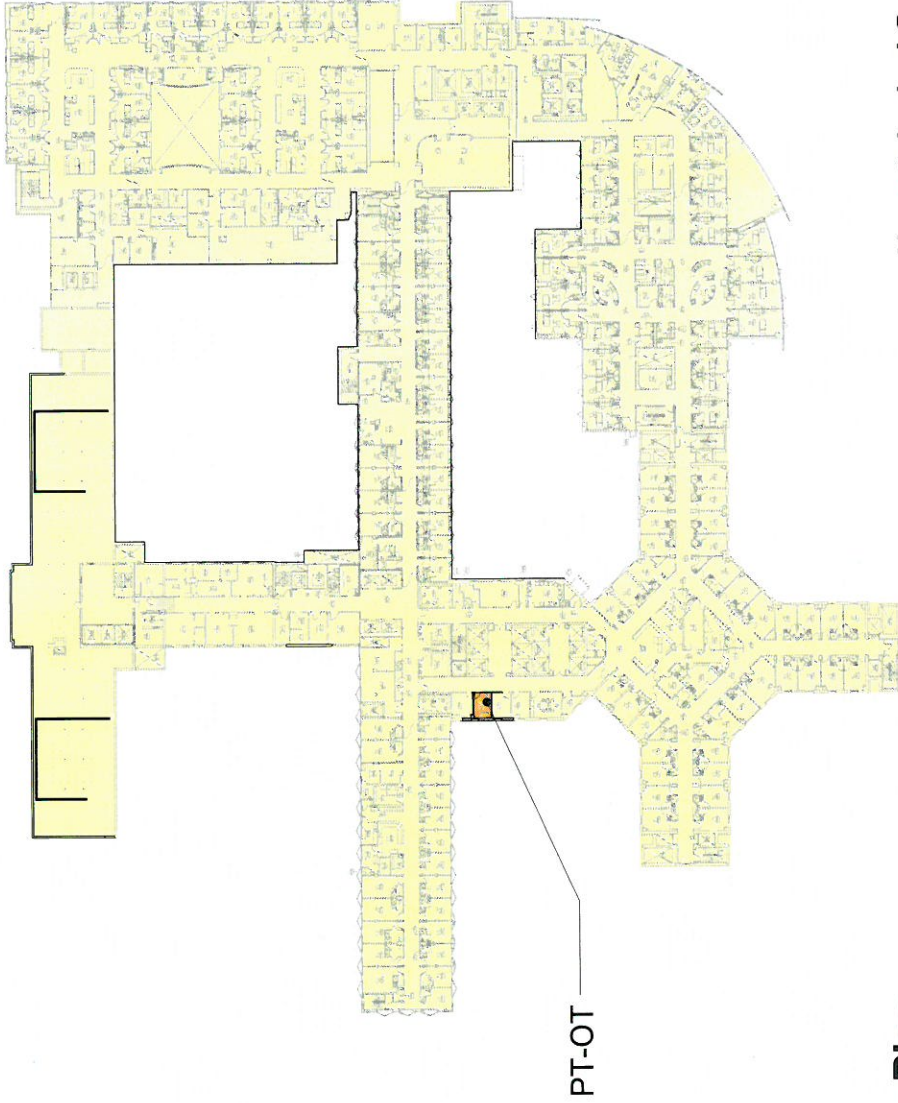
**Hematological Oncology Renovations**

Carolinas Medical Center



**COLOR KEY**

-  RENOVATION
-  EXISTING BUILDING



**Level 11 Existing Plan**

Carolinas HealthCare System

**Hematological Oncology Renovations**

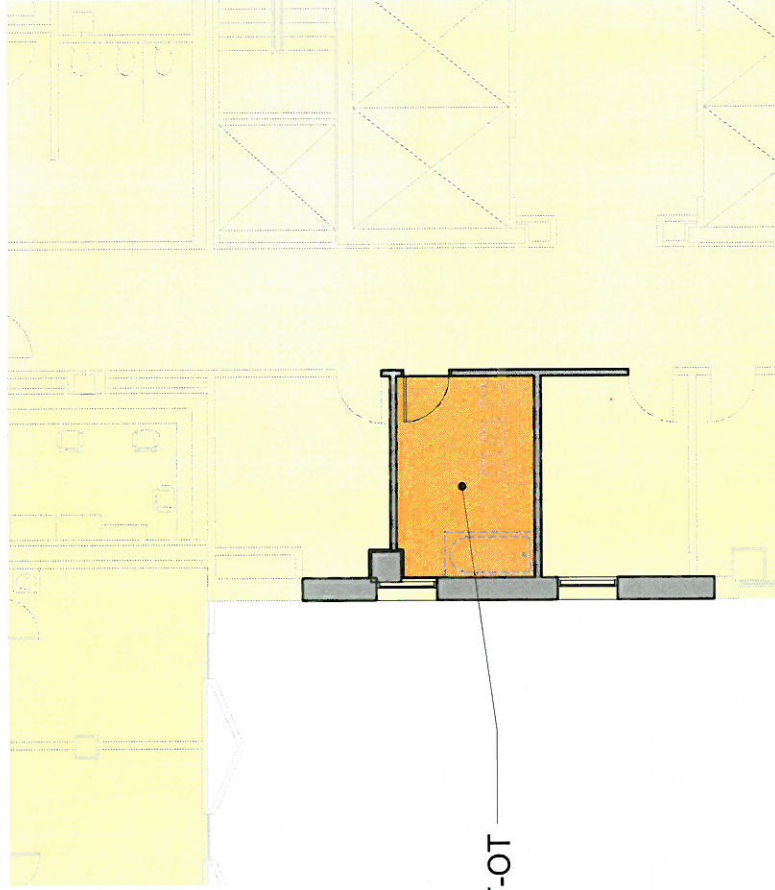
*Carolinas Medical Center*

*01-13-2017  
02/20/17*



**COLOR KEY**

-  RENOVIATION
-  EXISTING BUILDING



PT-OT

**Level 11 Enlarged Proposed Plan**

Carolinas HealthCare System

**Hematological Oncology Renovations**

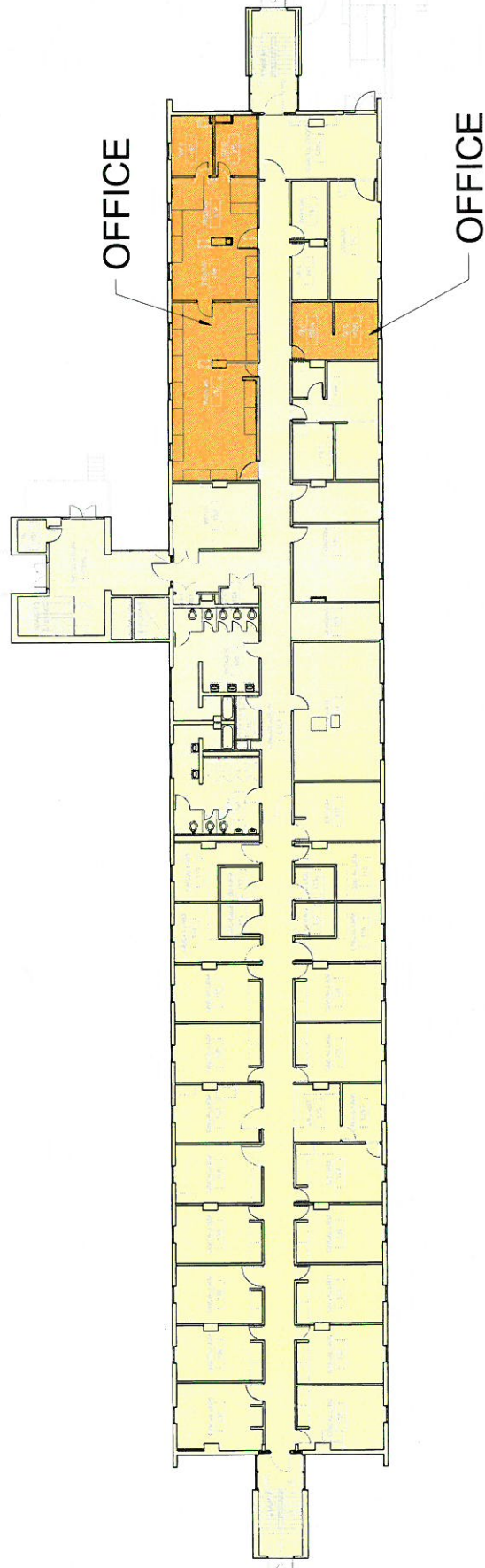
Carolinas Medical Center

02-20-2017



**COLOR KEY**

-  RENOVATION
-  EXISTING BUILDING



**Level 01 Annex Existing Plan**

Carolinas HealthCare System

**Hematological Oncology Renovations**

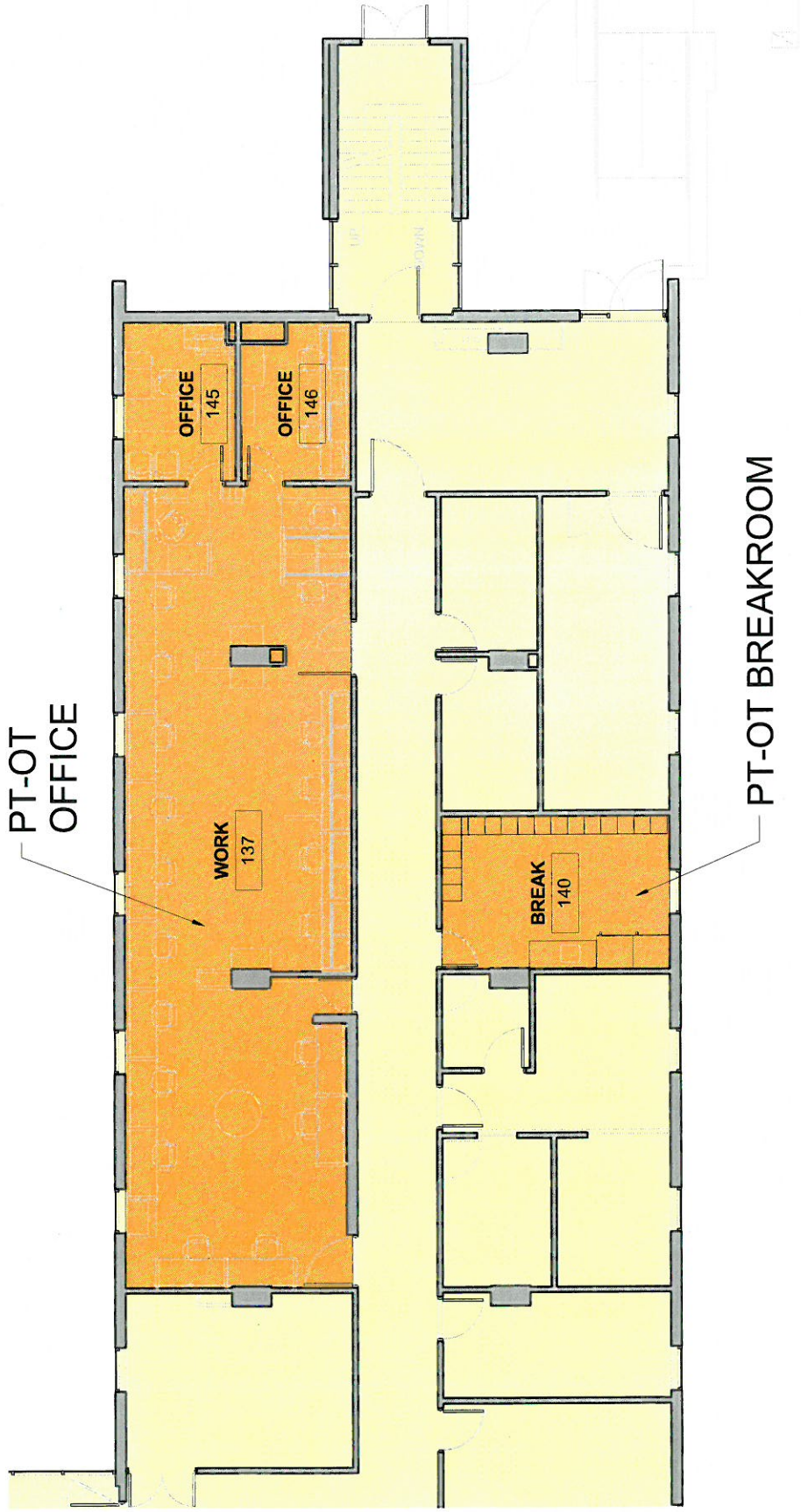
Carolinas Medical Center

02-20-2017



**COLOR KEY**

- RENOVATION
- EXISTING BUILDING



**Level 01 Annex Enlarged Proposed Plan**

Carolinas HealthCare System

02-20-2017

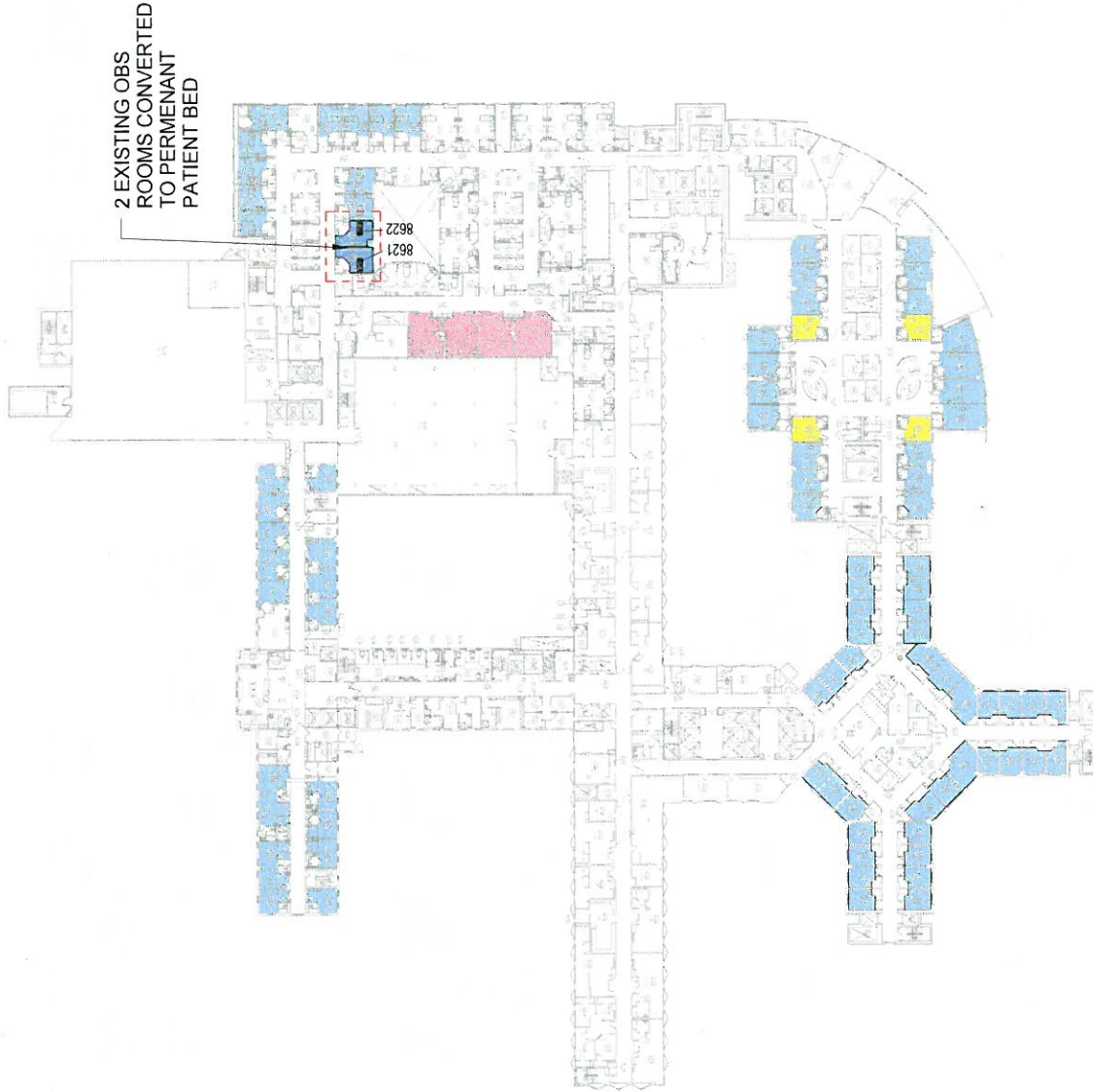
Hematological Oncology Renovations

Carolinas Medical Center



**BED LICENSE LEGEND**

-  LICENSED PATIENT ROOM
-  LICENSED PATIENT BED
-  OBSERVATION ROOM



**Level 08 Proposed Plan**

Carolinas HealthCare System



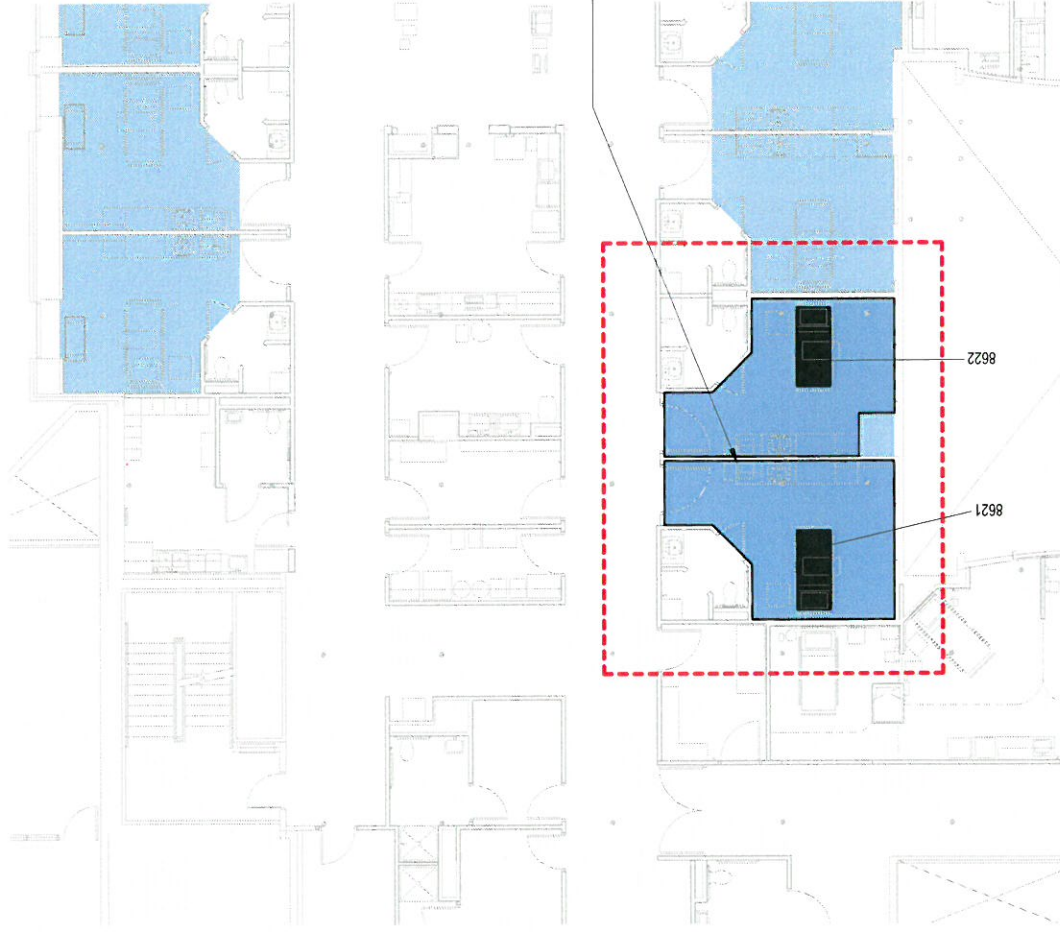
Hematological Oncology Renovations

Carolinas Medical Center

02-20-2017

**BED LICENSE LEGEND**

-  LICENSED PATIENT ROOM
-  LICENSED PATIENT BED
-  OBSERVATION ROOM



**Level 08 Enlarged Proposed Plan**

Carolinas HealthCare System

02-20-2017

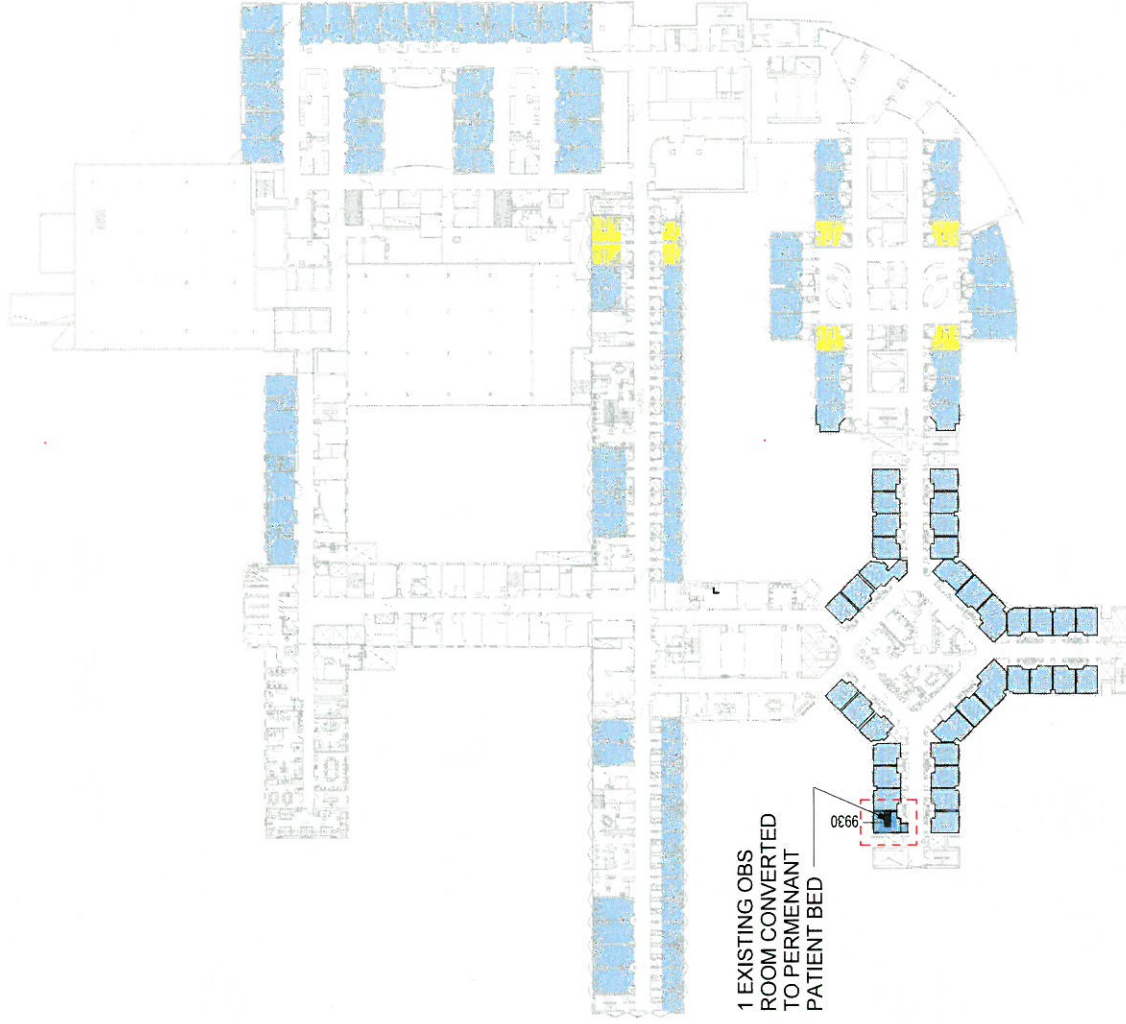
**Hematological Oncology Renovations**

Carolinas Medical Center



**BED LICENSE LEGEND**

-  LICENSED PATIENT ROOM
-  LICENSED PATIENT BED
-  OBSERVATION ROOM



**Level 09 Proposed Plan**

Carolinas HealthCare System



Hematological Oncology Renovations

Carolinas Medical Center

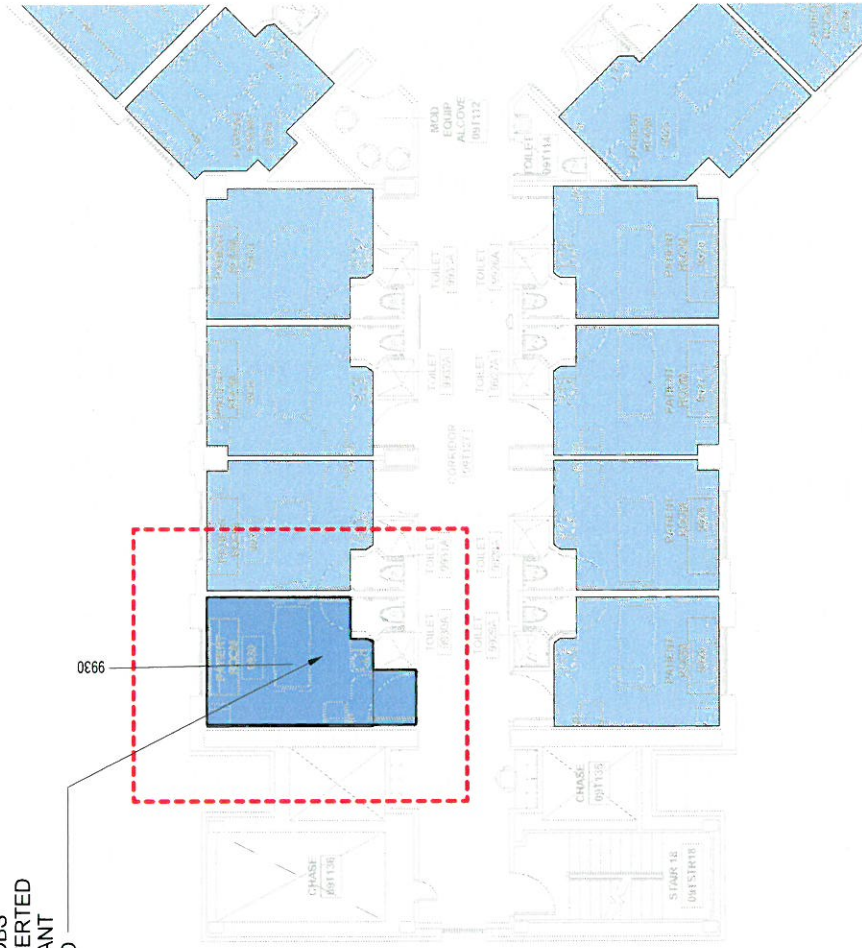
02-20-2017



**BED LICENSE LEGEND**

-  LICENSED PATIENT ROOM
-  LICENSED PATIENT BED
-  OBSERVATION ROOM

1 EXISTING OBS  
ROOM CONVERTED  
TO PERMANENT  
PATIENT BED



**Level 09 Enlarged Proposed Plan**

Carolinas HealthCare System

02-20-2017

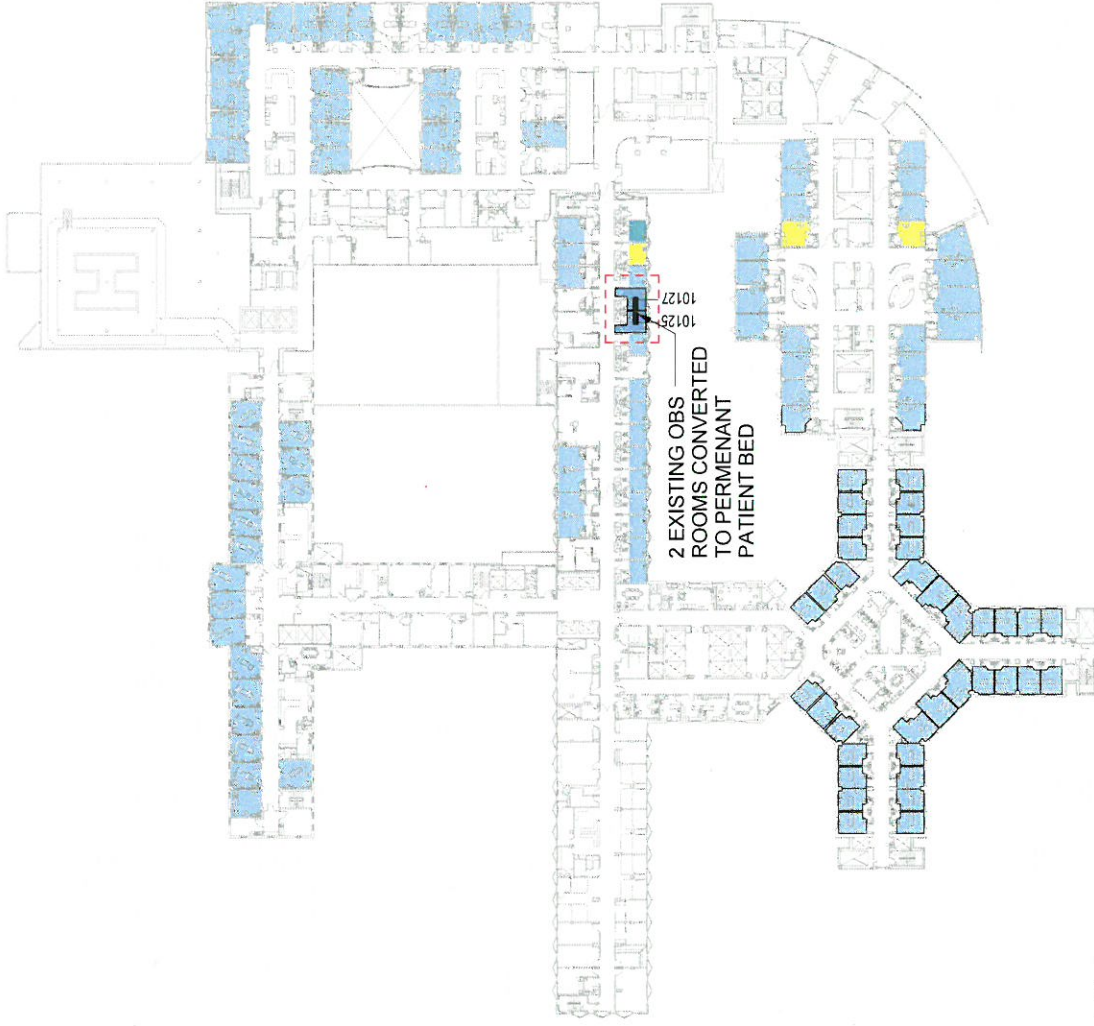
**Hematological Oncology Renovations**

Carolinas Medical Center



**BED LICENSE LEGEND**

-  LICENSED PATIENT ROOM
-  LICENSED PATIENT BED
-  OBSERVATION ROOM



**Level 10 Proposed Plan**

Carolinas HealthCare System



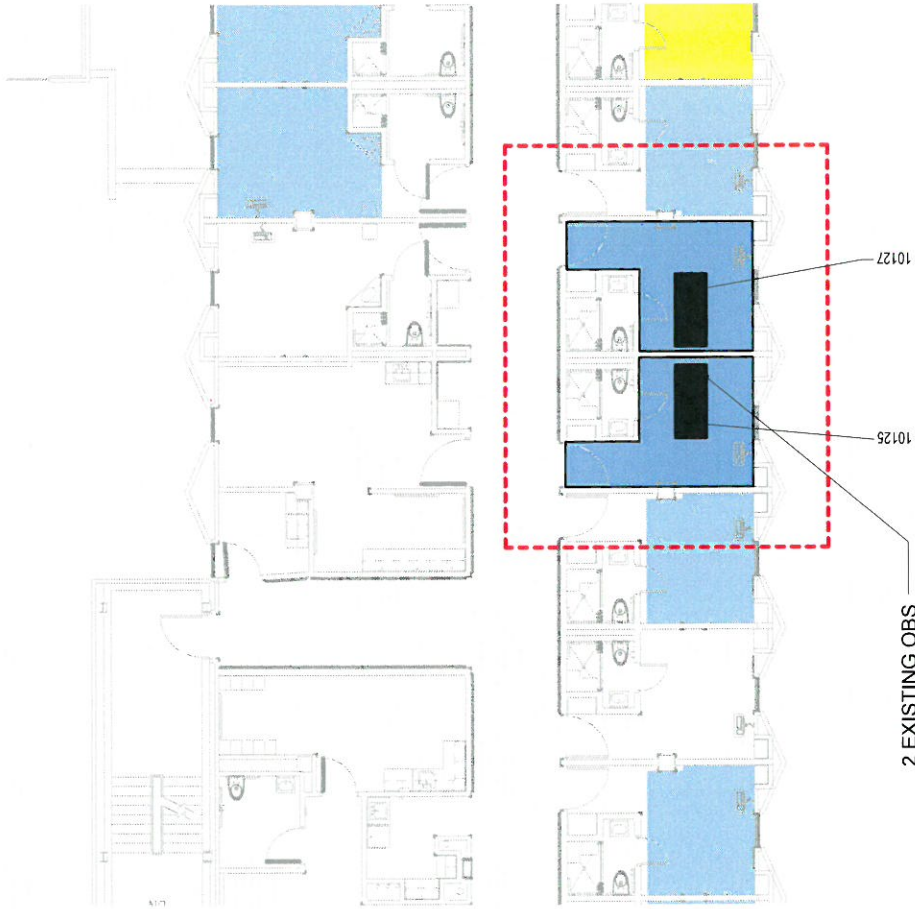
**Hematological Oncology Renovations**

Carolinas Medical Center

02-20-2017

**BED LICENSE LEGEND**

-  LICENSED PATIENT ROOM
-  LICENSED PATIENT BED
-  OBSERVATION ROOM



2 EXISTING OBS  
ROOMS CONVERTED  
TO PERMANENT  
PATIENT BED

**Level 10 Enlarged Proposed Plan**

Carolinas HealthCare System

02-20-2017

**Hematological Oncology Renovations**

Carolinas Medical Center

