



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

May 17, 2017

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

Exempt from Review

Record #: 2261
Facility Name: Carolinas Medical Center (CMC)
FID #: 943070
Business Name: The Charlotte-Mecklenburg Hospital Authority
Business #: 1770
Project Description: Renovate space on the 3rd floor to house 30 observation beds
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 May 5, 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

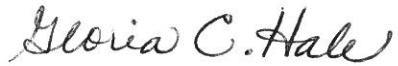
MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER

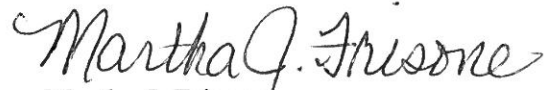


If you have any questions concerning this matter, please feel free to contact this office.

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



Carolinah HealthCare System



May 5, 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 space to house observation beds on the 3rd floor of 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 space on the third floor to house thirty additional observation beds on CMC's main campus ("CMC Short Stay Unit").

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 Short Stay 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 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.

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 vacant space on the third floor of the medical center to accommodate thirty observation beds. The renovation project includes approximately 15,570 square feet of existing space.

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 Short Stay renovation is exempt from certificate of need review and that we may proceed as planned with this project.

Sincerely,



Elizabeth Kirkman
Assistant Vice President
CHS Strategic Services Group

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

Attachments

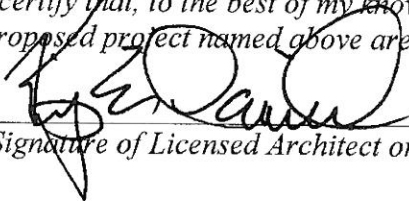
Attachment A

PROPOSED TOTAL CAPITAL COST OF PROJECT

Project name: CMC Short Stay Unit
Provider/Company: Carolinas Healthcare System

(1) Purchase price of land	\$ 0
(2) Closing costs	\$ 0
(3) Site Preparation	\$ 0
(4) Construction/Renovation Contract	\$ 4,630,000
(5) Landscaping	\$ 0
(6) Architect/Engineering Fees	\$ 528,000
(7) Medical Equipment	\$ 1,200,000
(8) Non Medical Equipment	\$ 0
(9) Furniture	\$ 333,000
(10) Consultant Fees (CON Fees, Legal Fees, Design Fees)	\$ 0
(11) Financing Costs	\$ 0
(12) Interest During Construction	\$ 0
(13) Other (IS, Security, Internal Allocation)	\$ 1,509,000
(14) Total Capital Cost	\$ 8,200,000

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


(Signature of Licensed Architect or Engineer)

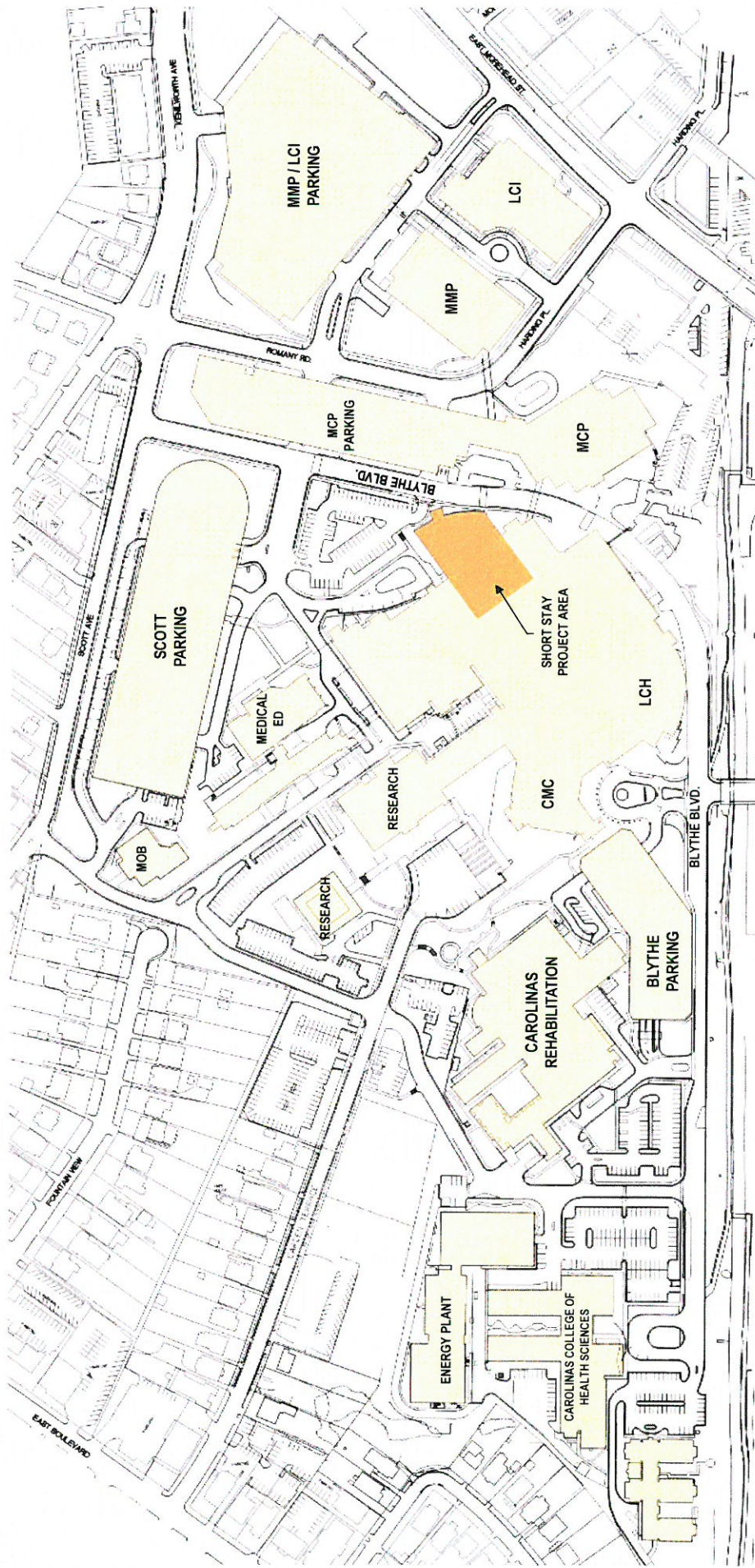
5.4.17
DATE



Attachment B

COLORKEY

- RENOVATION
- EXISTING BUILDING



OVERALL SITE PLAN

Carolinas HealthCare System

04/24/2017



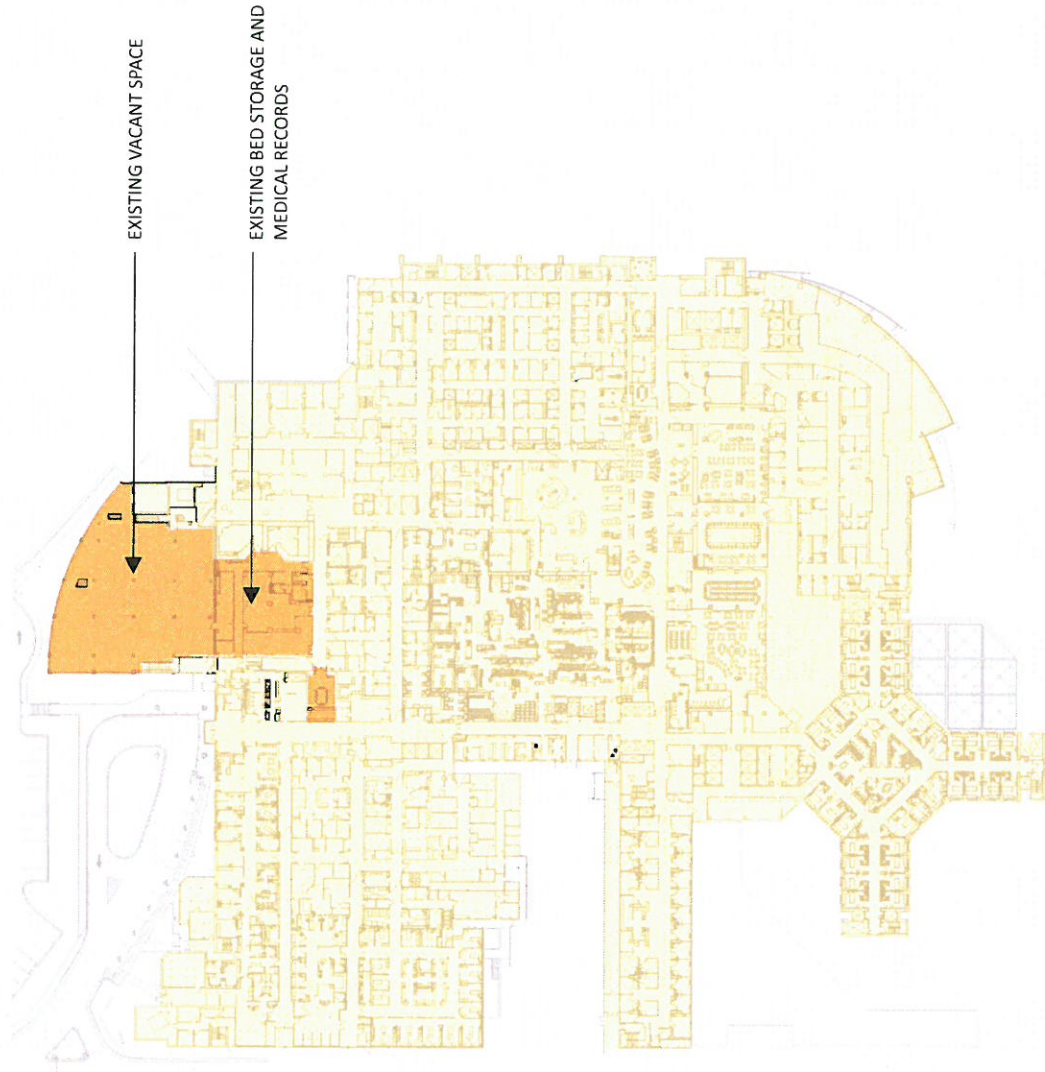
Short Stay Unit

CMC

COLOR KEY

RENOVATION

EXISTING BUILDING



EXISTING LEVEL 03 PLAN

Carolinas HealthCare System

Short Stay Unit

04/24/2017

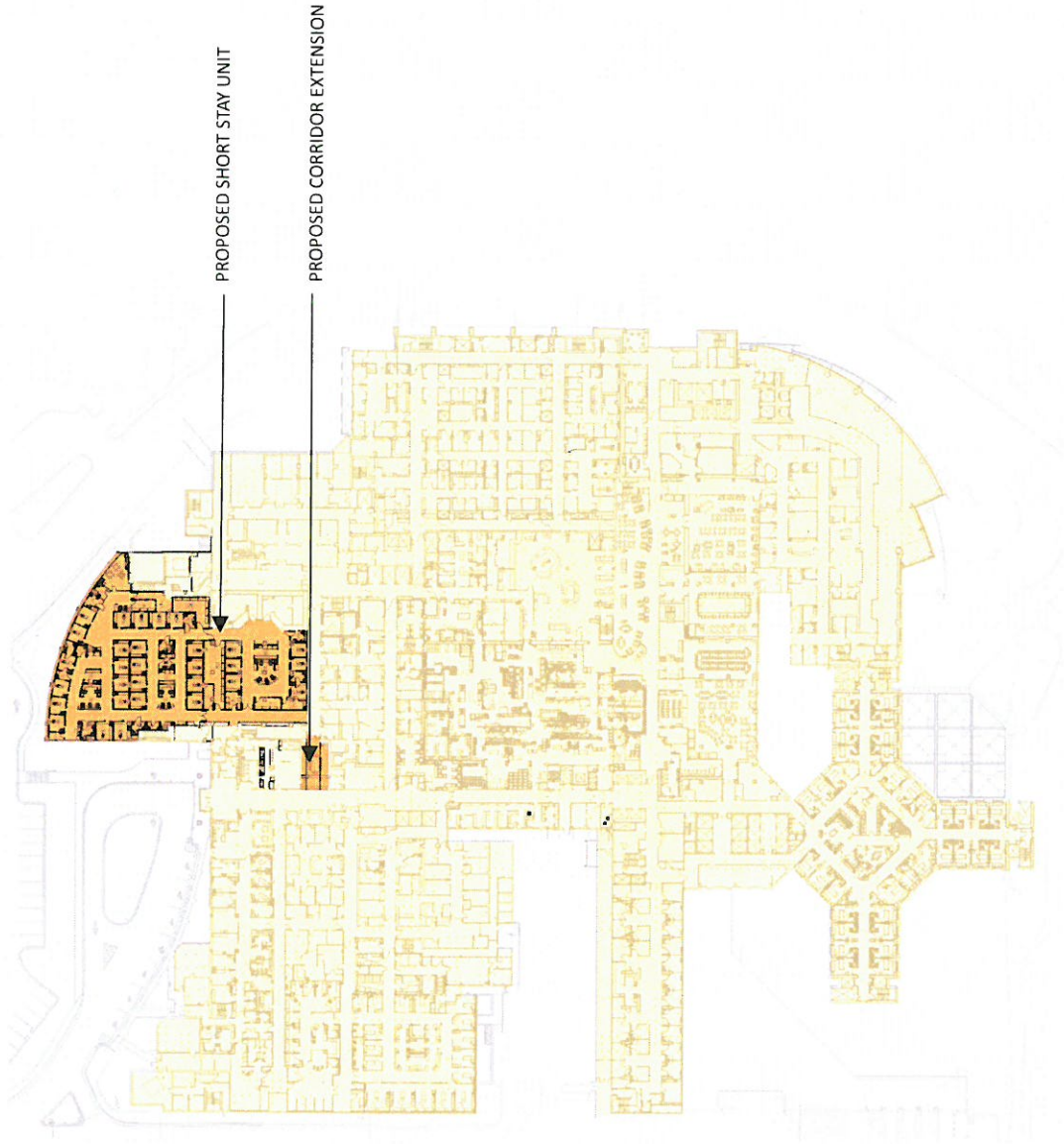
CMC



COLOR KEY

RENOVATION

EXISTING BUILDING



PROPOSED LEVEL 03 PLAN

Carolinas HealthCare System

04/24/2017

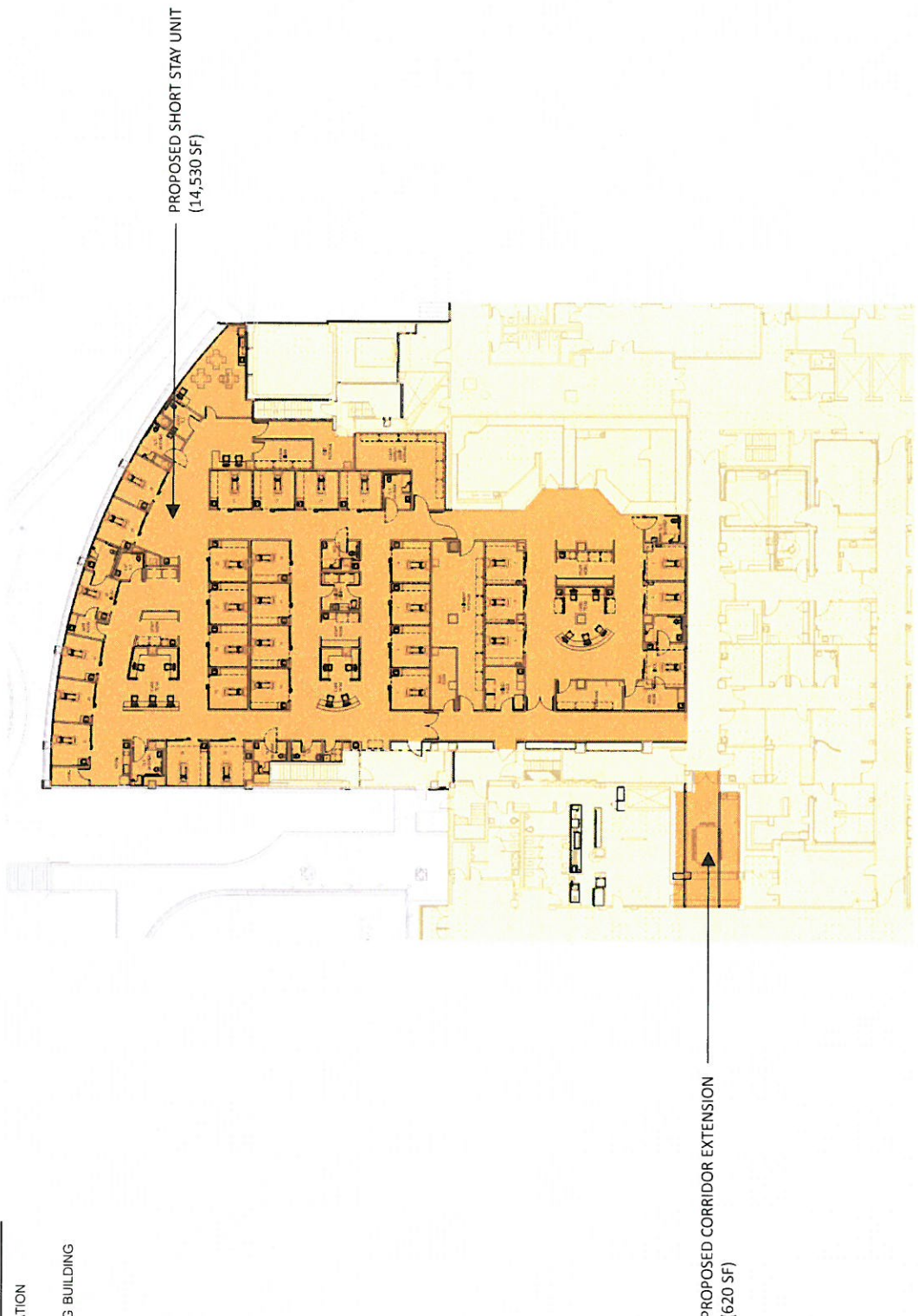


Short Stay Unit

CMC

COLOR KEY

- RENOVATION
- EXISTING BUILDING



PROPOSED LEVEL 03 (ENLARGED) PLAN

Carolinas HealthCare System

04/24/2017

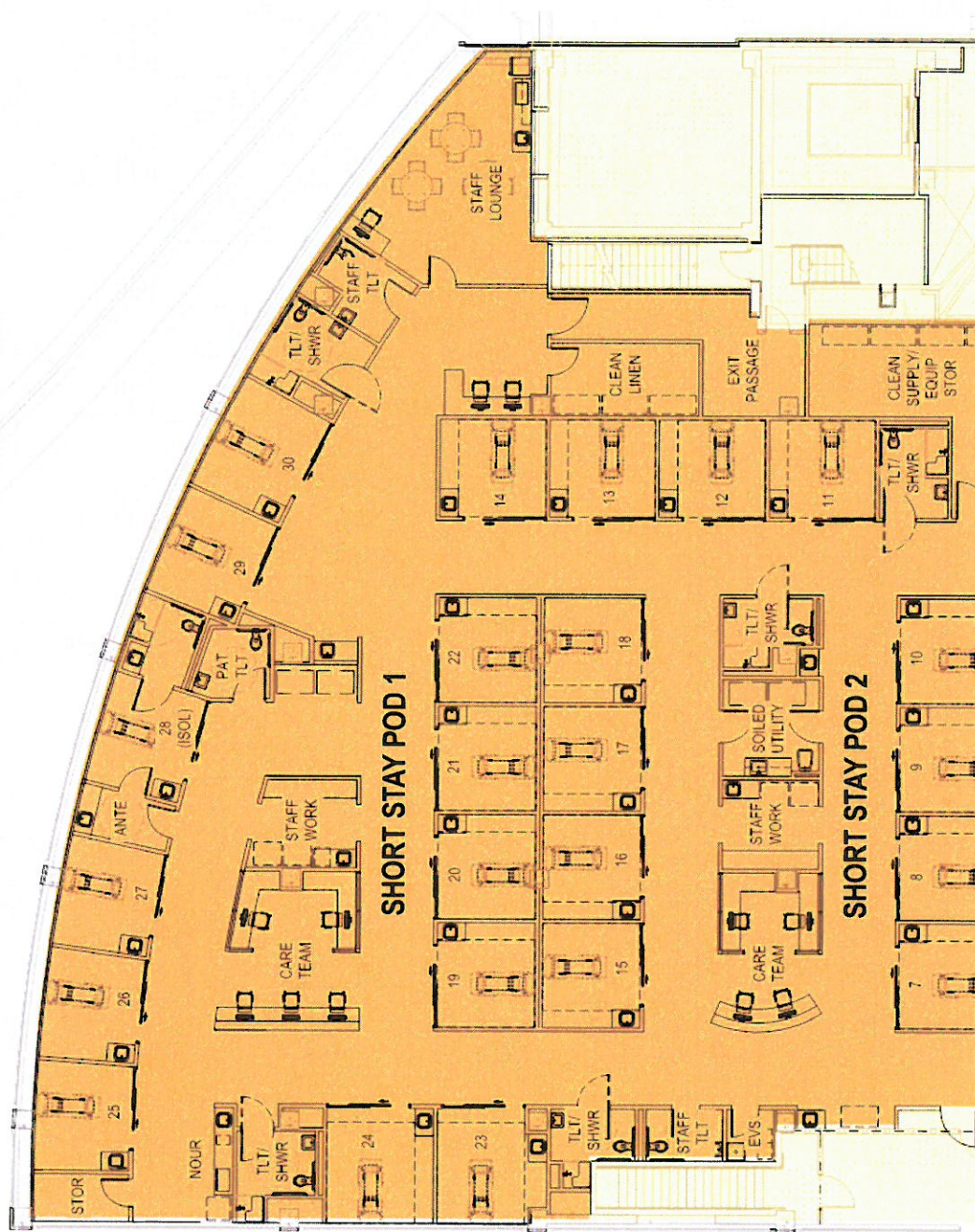
Short Stay Unit

CMC



COLORKEY

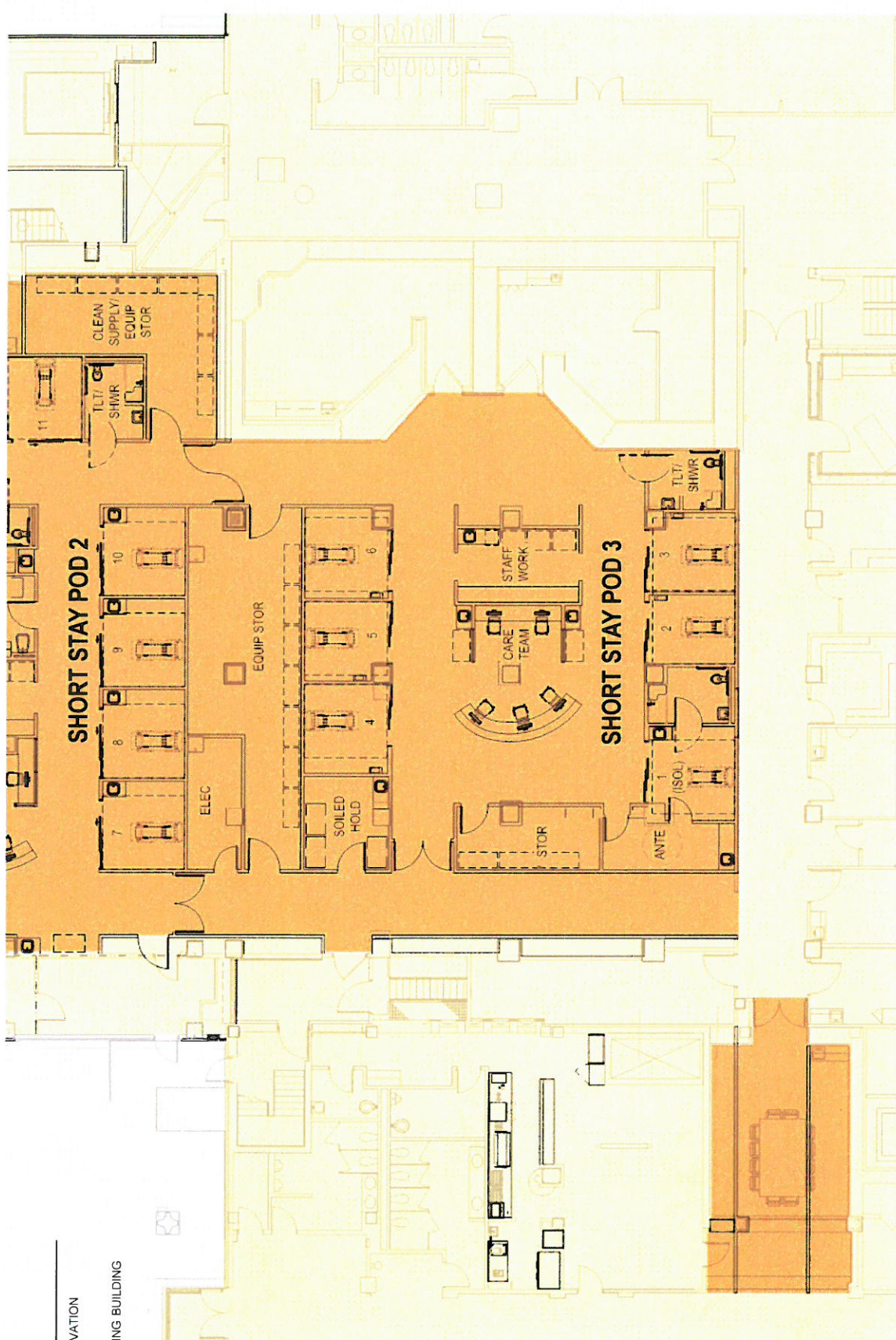
- RENOVATION
- EXISTING BUILDING



PROPOSED LEVEL 03 (ENLARGED) PLAN

Short Stay Unit





COLOR KEY

- RENOVATION
- EXISTING BUILDING

PROPOSED LEVEL 03 (ENLARGED) PLAN

Carolinas HealthCare System

04/24/2017



Short Stay Unit

CMC

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

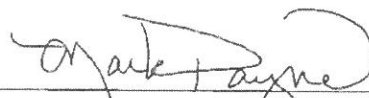
Shared Surgical Operating Rooms: 41

Dedicated Endoscopy Rooms: 12

Authorized by:



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



Director, Division of Health Service Regulation