

NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

October 1, 2018

Elizabeth Kirkman
2709 Water Ridge Parkway, Suite 200
Charlotte, NC 28217

No Review

Record #: 2717
Facility Name: Carolinas Medical Center
FID #: 943070
Business Name: The Charlotte-Mecklenburg Hospital Authority
Business #: 1770
Project Description: Replace existing equipment in the Sterile Processing Department
County: Mecklenburg

Dear Ms. Kirkman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of September 25, 2018 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 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.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 2701 Mail Service Center, Raleigh, NC 27699-2701
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3750 • FAX: 919-733-2757

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,



Julie M. Faenza
Project Analyst



Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR



Atrium Health



September 25, 2018

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

RE: No Review Request to Verify Non-Reviewability of The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center's Sterile Processing Department Equipment Replacement Project

Dear Ms. Frisone:

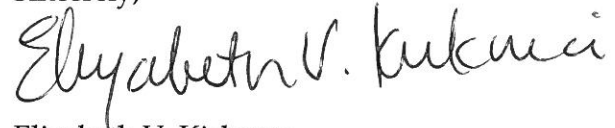
I am writing to inform you of The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center's ("CMC") plan to replace existing equipment in the Sterile Processing Department ("SPD") located on the fifth floor of the main campus in Charlotte, NC.

The proposed project includes replacing the two existing tunnel washers. In order to keep up with surgical volume during the replacement process, an additional instrument washer, two three-compartment sinks, and an ultrasonic washer will be purchased and installed prior to replacing the two existing tunnel washers. The proposed capital cost is under \$2,000,000 (see Attachment). Through this letter, CMC requests confirmation from the Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the "Agency") that the project described herein is not subject to certificate of need review.

This proposed project does not trigger any of the new institutional health service definitions in N.C. Gen. Stat. § 131E-176(16). The construction costs associated with CMC's SPD equipment replacement project will not exceed \$2,000,000, and thus will not trigger the capital cost threshold in N.C. Gen. Stat. § 131E-176(16)(b).

Based on the above facts, CMC requests that you confirm in writing that CMC's SPD equipment replacement project 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 V. Kirkman". The signature is written in a cursive style with a large initial "E".

Elizabeth V. Kirkman
Assistant Vice-President
Atrium Health Strategic Services Group

cc: Christopher Bowe, President, Carolinas Medical Center

Attachment

PROPOSED TOTAL CAPITAL COST OF PROJECT

Project name: 3273929 CMC 5th Floor SPD Equipment

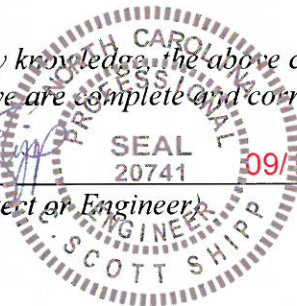
Provider/Company: Atrium Health

| | |
|---------------------------------------------------------|---------------------------|
| (1) Purchase price of land | _____ |
| (2) Closing costs | _____ |
| (3) Site Preparation | _____ |
| (4) Construction/Renovation Contract | <u>\$860,000</u> |
| (5) Landscaping | _____ |
| (6) Architect/Engineering Fees | <u>\$105,000</u> |
| (7) Medical Equipment (including Freight and Sales Tax) | _____ |
| (8) Non Medical Equipment | <u>\$795,000</u> |
| (9) Furniture | _____ |
| (10) Consultant Fees (specify) | _____ |
| (11) Financing Costs | _____ |
| (12) Interest During Construction | _____ |
| (13) Other (specify) Administrative costs/contingency | <u>\$215,000</u> |
| (14) Total Capital Cost | <u>\$1,975,000</u> |

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

C. Scott Shipp, PE

(Signature of Licensed Architect or Engineer)



09/19/2018