



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

February 1, 2019

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

Exempt from Review

Record #: 2856
Facility Name: Carolinas Rehabilitation
FID #: 943092
Business Name: The Charlotte-Mecklenburg Hospital Authority
Business #: 1770
Project Description: Conduct pre-development activities in preparation for future facility renovations
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 January 25, 2019, 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 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 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.

**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: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhhs.gov/dhsr • TEL: 919-855-3873

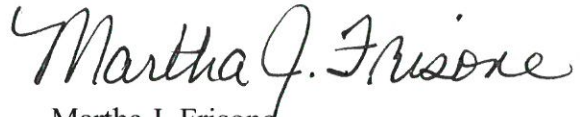
AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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

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

January 25, 2019

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



RE: Pre-Development Activities on Campus of Carolinas Medical Center and Carolinas Rehabilitation

Dear Ms. Frisone:

This letter serves as notification of The Charlotte Mecklenburg Hospital Authority's (CMHA) intent to conduct pre-development activities on the campus of Carolinas Medical Center (CMC) and Carolinas Rehabilitation (CR) in preparation for future facility renovations. CMHA anticipates it will spend more than \$2 million for activities including the preparation of architectural designs, plans, working drawings, or specifications, the preparation of studies and surveys, as well as other preparatory work including floodplain mitigation, campus rezoning efforts, greenway beautification, traffic impact mitigation, demolition of non-health service facility buildings, construction of a new energy plant, and replacement of the normal and emergency power switchgear panels (CDE Vault).

Pursuant to N.C. Gen. Stat. 131 E-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 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 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.

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 CMC and CR pre-development project meets each of the applicable conditions set forth above. All contemplated planning and potential site involve only the single campus on which CMC and CR are co-located. The estimated capital cost of the project exceeds \$2,000,000. The proposed project involves existing health service facilities located at 1000 Blythe Boulevard, Charlotte, NC 28203, which is the site from which CMC and CR provide clinical patient services and exercise financial and administrative control over each facility (CMC: Hospital License H0071, FID # 943070; CR: Hospital License H0071-C, FID # 943092; see Exhibit 1 for the hospitals' licenses). CMC's President's office is located on the second floor of the main hospital building. CR's President's office is located on the first floor of the main hospital building.

The project will not result in 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 other than that allowed in G.S. 131E-176(16)b. 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. This letter constitutes the required prior written notice.

Based on the above facts, the project is exempt from certificate of need review. We are requesting that you confirm in writing that the CMC and CR pre-development project is exempt from certificate of need review and that CMHA may proceed as planned with this project.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Kirkman".

Elizabeth Kirkman
Assistant Vice President
Atrium Health Strategic Services Group

Attachments

cc: Chris Bowe, Interim President, Carolinas Medical Center
Robert Larrison, President, Carolinas Rehabilitation

Exhibit 1

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

*Effective October 11, 2018, 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: 1211

General Acute 1055, Rehabilitation 13, Psych 132, Substance Abuse 11,

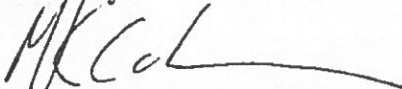
Dedicated Inpatient Surgical Operating Rooms: 10

Dedicated Ambulatory Surgical Operating Rooms: 11

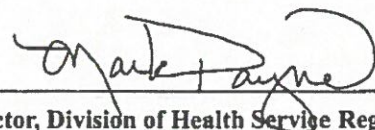
Shared Surgical Operating Rooms: 41

Dedicated Endoscopy Rooms: 12

Authorized by:



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



Director, Division of Health Service Regulation

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 01, 2019, this license is issued to
The Charlotte-Mecklenburg Hospital Authority

to operate a hospital known as

Carolinas Rehabilitation

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: 943092

License Number: H0071-C

Bed Capacity: 70

Rehabilitation 70,

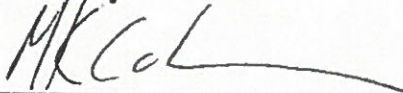
Dedicated Inpatient Surgical Operating Rooms: 0

Dedicated Ambulatory Surgical Operating Rooms: 0

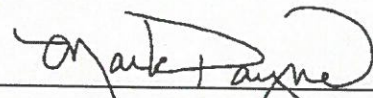
Shared Surgical Operating Rooms: 0

Dedicated Endoscopy Rooms: 0

Authorized by:



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



Director, Division of Health Service Regulation

