



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

September 30, 2020

Elizabeth V. Kirkman
Elizabeth.Kirkman@atriumhealth.org

Exempt from Review

Record #: 3368
Facility Name: Carolinas Medical Center
FID #: 943070
Business Name: The Charlotte-Mecklenburg Hospital Authority
Business #: 1770
Project Description: Construct a patient tower connected to the main hospital building, relocate existing services including imaging equipment, and renovate other spaces within the existing hospital building
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 September 28, 2020, 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, Radiation Protection, 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.

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

Sincerely,

Handwritten signature of Julie M. Faenza

Julie M. Faenza
Project Analyst

Handwritten signature of Martha J. Frisone

Martha J. Frisone
Chief

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Radiation Protection Section, DHSR
Brigid Huber (Brigid.Huber@atriumhealth.org)

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
https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873

September 28, 2020

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: Request for Exemption from Review to Develop a Patient Tower on Carolinas Medical Center's Main Campus Pursuant to N.C. Gen. Stat. § 131E-184(g)

Facility Name: Carolinas Medical Center

Facility ID: 943070

License Number: H0071

County: Mecklenburg

Dear Ms. Frisone:

Please accept this letter as notification of The Charlotte-Mecklenburg Hospital Authority's (CMHA's) intent to construct a patient tower on Carolinas Medical Center's (CMC's) main campus pursuant to N.C. Gen. Stat. § 131E-184(g). CMHA intends to construct a twelve-story patient tower on CMC's main campus located at 1000 Blythe Boulevard, Charlotte, North Carolina 28203. The proposed site plan, attached as Exhibit 1, shows the location of the proposed patient tower in purple as well as the existing hospital facility (shown in yellow). As indicated on the proposed site plan, the patient tower will be developed adjacent and connected to the existing hospital building. The total capital cost of the proposed patient tower is estimated to exceed \$2,000,000. The services proposed on each floor are as follows:

- Level 01 – Entry to Tower, Educational, Kitchen/Dining, Automated Guided Vehicle Control, Building Control, Clinical Engineering, Discharge Lounge, Environmental Services, Sterile Processing Department, and Public Amenities
- Level 02 – Emergency Department, Clinical Decision Unit, Relocated Imaging, and Shell
- Level 03 – 5 Replacement Operating Rooms, Pre-Op and Post-Op, Support, Board Room, Nursing Clinical Center, Pharmacy, Respiratory, Spiritual Care, Transport, and Shell
- Level 04 – 15 Replacement Operating Rooms, Pre-Op and Post-Op, Support, Cytology, Blood Bank, and Shell
- Level 05 – Mechanical, Electrical, Plumbing
- Level 06 – Shell
- Level 07 – 9 Replacement Acute Care Beds, 23 Observation Beds, and Shell
- Level 08 – 64 Replacement Acute Care Beds
- Level 09 – 64 Replacement Acute Care Beds
- Level 10 – 64 Replacement Acute Care Beds
- Level 11 – 64 Replacement Acute Care Beds
- Level 12 – 64 Replacement Acute Care Beds
- Roof – Helipad and Emergency Medical Services Support

Please note that the proposed services detailed above are all replacement and/or relocated services and equipment as well as shell space.

Imaging

The imaging equipment planned for Level 02 of the patient tower will be relocated from the existing main hospital building and will include the following: two fixed MRI scanners, one iMRI scanner,¹ one fixed PET scanner, four fixed CT scanners, and other non-Certificate of Need reviewable imaging equipment. With the exception of one unit of fixed CT equipment being relocated from the Emergency Department in the main hospital, the equipment will be relocated from its existing locations on the fourth floor of the main hospital.

Operating Rooms

The 20 licensed operating rooms planned for Levels 03 and 04 of the patient tower will be relocated from their existing locations in the existing main hospital building. The vacated spaces will be decommissioned, with future use of the spaces to be determined. Level 03 of the new patient tower will include five replacement operating rooms and Level 04 will include 15 replacement operating rooms.

Acute Care Beds

The 329 licensed acute care beds planned for Levels 07, 08, 09, 10, 11, and 12 of the patient tower will be relocated from their existing locations in the existing main hospital building. The vacated spaces will be decommissioned, with future use of the locations to be determined. Levels 08, 09, 10, 11, and 12 of the new patient tower each will include 64 replacement acute care beds, and Level 07 will include nine replacement acute care beds and 23 observation beds.

As part of the project, CMHA will renovate existing space within CMC's existing hospital building to provide connection with the proposed patient tower. The proposed project will not increase the number of licensed beds, operating rooms, or other regulated assets, and CMC will file a Certificate of Need application for any additional new institutional health services that would be developed in any newly constructed space.

Under N.C. Gen. Stat. § 131 E-184(g), the Certificate of Need law provides that an applicant's proposal to replace or expand the entirety or a portion of an existing health service facility on the same main campus site that exceeds the \$2,000,000 threshold set forth in N.C. Gen. Stat. § 131E-176(16b) is nonetheless exempt from review 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 N.C. Gen. Stat. § 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service other than that allowed in N.C. Gen. Stat. § 131E-176(16b); and
- (3) the licensed health service facility proposing to incur the capital expenditure provides prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of N.C. Gen. Stat. § 131 E-184(g).

¹ Please note that the relocated iMRI scanner will be located on Level 04 of the proposed patient tower.

Further, pursuant to N.C. Gen. Stat. § 131E-176(14n), “main campus” as referenced in N.C. Gen. Stat. § 131E-184(g), means the following:

- 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 patient tower project meets each of the applicable conditions set forth above.

- The estimated capital cost of the project exceeds \$2,000,000.
- The sole purpose of the capital expenditure is to expand the existing health service facility on the main campus located at 1000 Blythe Boulevard, Charlotte, North Carolina 28203. Please see [Exhibit 1](#) for a site plan. The proposed patient tower will be located on the main campus, which is the site from which CMC provides clinical patient services and exercises financial and administrative control over the entire facility (Hospital License # H0071, FID # 943070, please see [Exhibit 2](#) for the hospital license). CMC’s Facility Executive’s office is located in the main hospital building.
- The proposed project will not result in a change in bed capacity (increase or decrease) as defined in N.C. Gen. Stat. § 131E-176(5) or the addition of a health service facility or a new institutional health service other than that allowed in N.C. Gen. Stat. § 131E-176(16b). 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 under N.C. Gen. Stat. § 131 E-184(g)(3).

Based on the above facts, the project is exempt from Certificate of Need review. We are requesting that you confirm in writing that CMC’s patient tower project is exempt from Certificate of Need review and that CMHA may proceed as planned with this project.

Sincerely,



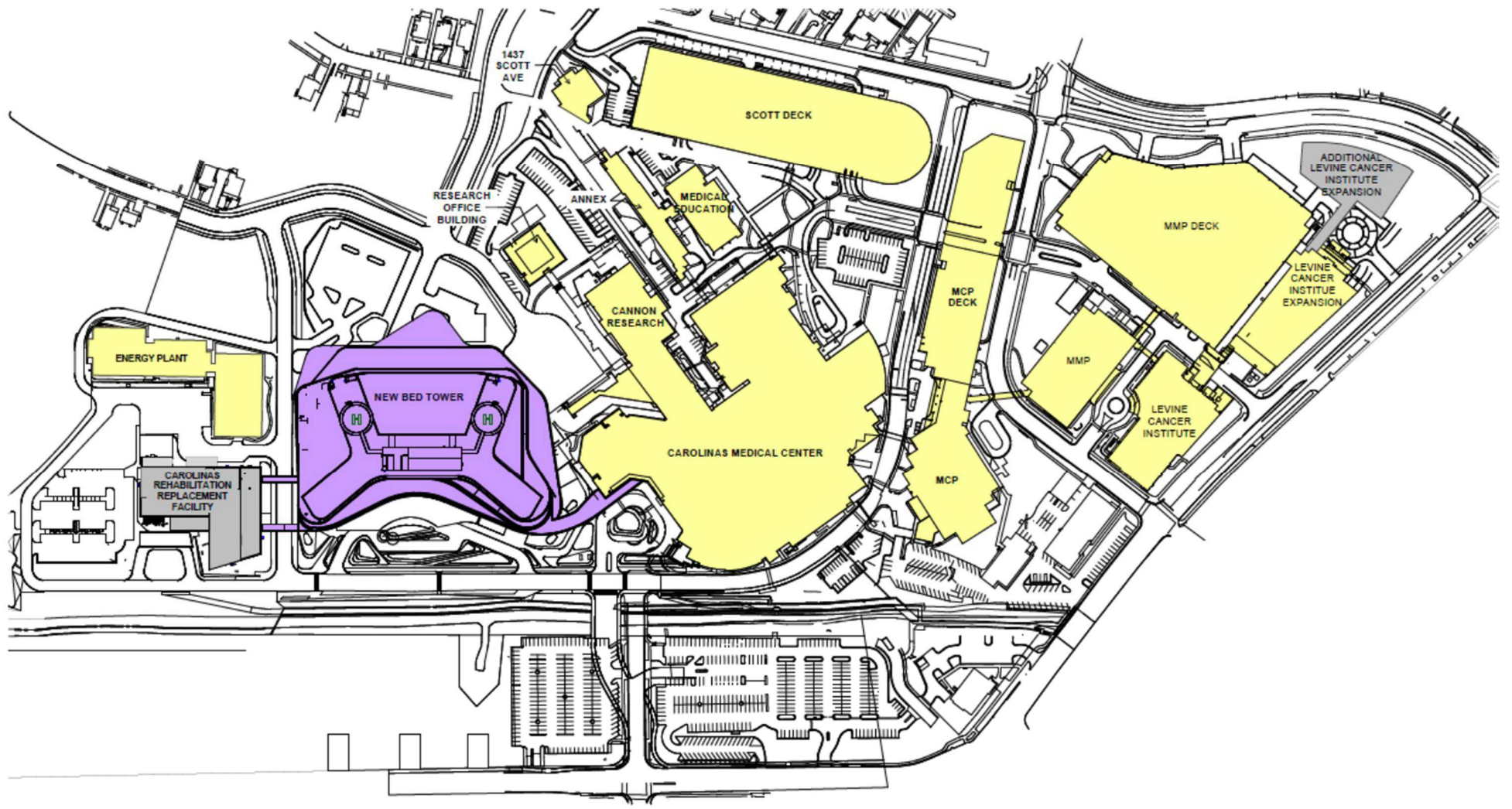
Elizabeth Kirkman
Assistant Vice President
Atrium Health Strategic Services Group

Exhibits

Exhibit 1

COLOR KEY

- NEW CONSTRUCTION
- EXISTING BUILDING
- PROJECT UNDER CONSTRUCTION



SITE PLAN

NEW BED TOWER



Exhibit 2

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

*Effective January 01, 2020, 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,

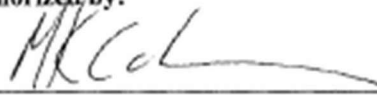
Dedicated Inpatient Surgical Operating Rooms: 10

Dedicated Ambulatory Surgical Operating Rooms: 9

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

From: [Flores, Disraeliza](#)
To: [Waller, Martha K](#)
Subject: FW: [External] Exemption Request for The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center
Date: Monday, September 28, 2020 4:21:01 PM
Attachments: [2020 CMC Patient Tower Exemption Request SIGNED.pdf](#)

Disraeliza Flores
Administrative Assistant
Division of Health Service Regulation
North Carolina Department of Health and Human Services

919-855-3872 office
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From: Huber, Brighid K <Brighid.Huber@atriumhealth.org>
Sent: Monday, September 28, 2020 4:07 PM
To: Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>; Flores, Disraeliza <Disraeliza.Flores@dhhs.nc.gov>
Cc: Kirkman, Elizabeth <Elizabeth.Kirkman@atriumhealth.org>
Subject: [External] Exemption Request for The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Good afternoon,

I hope this email finds you well! Please find attached an exemption request submitted by The Charlotte-Mecklenburg Hospital Authority (“CMHA”) d/b/a Carolinas Medical Center (“CMC”) to construct a patient tower on the main campus of CMC.

Thank you, and please let me know if you have any questions.

Best,

Brigid

Brigid Knoll Huber, MHA, ATC

Strategic Services Group

Office: 704-446-2070

Atrium Health

Carolinas HealthCare System is Atrium Health

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

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