



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

February 26, 2021

Elizabeth V. Kirkman
Elizabeth.Kirkman@atriumhealth.org

Exempt from Review

Record #: 3493
Date of Request: February 22, 2021
Facility Name: Carolinas Medical Center
FID #: 943070
Business Name: The Charlotte-Mecklenburg Hospital Authority
Business #: 1770
Project Description: Upgrade and renovate maternity and related spaces on the 1st and 8th floors of the main hospital building
County: Mecklenburg

Dear Ms. Kirkman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(g). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

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,

Julie M. Faenza
Project Analyst

Lisa Pittman
Assistant Chief, Certificate of Need

cc: Construction Section, DHSR

**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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Acute and Home Care Licensure and Certification Section, DHSR
Brigid Huber (Brigid.Huber@atriumhealth.org)

February 22, 2021

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

RE: Exemption Request to Renovate Maternity and Related Space 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 aesthetically upgrade and renovate maternity and related space on the 1st and 8th floors of the main hospital building.

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.”*

CMC's maternity aesthetics and 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 the capital cost worksheet). 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

Facility Executive'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.

Aesthetic Upgrades

As part of this project, aesthetic upgrades will be completed on the 1st and 8th floors in order to modernize the spaces involved – most of which have not been touched in more than a decade – and make them more patient friendly. On the 1st floor, aesthetic improvements will be made to the maternity entry way, including the waiting area and corridor leading to the maternity express elevator. On the 8th floor, aesthetic work, including wall painting and installation of new flooring, millwork and other finishes, will be completed in the patient rooms and non-clinical support areas located in or adjacent to the T-wing (“8T”). 8T currently has 36 licensed acute care beds. The number of licensed acute care beds will not change as a result of the proposed project.

Renovation

In addition to the aesthetic upgrades discussed above, the proposed project also involves the renovation and reconfiguration of multiple patient care and non-clinical support areas located in or adjacent to 8T. The proposed renovations will improve patient experience and increase operational efficiency throughout the department.

The existing OB triage area contains five bays separated by curtains that share two small restrooms. The existing OB triage space is undersized given demand and does not allow for optimal patient privacy. As part of this project, the OB triage space will be relocated and expanded to include eight fully enclosed rooms, each with its own bathroom, which will greatly increase privacy for maternity patients and their family members.

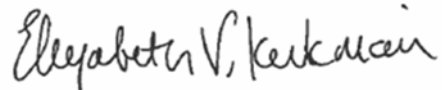
The proposed project also involves relocating Labor, Delivery and Recovery (“LDR”) rooms and on-call rooms that are in this area of the facility to an area that is closer to the OB triage space. Currently, there are three LDRs and four on-call rooms located in this area of the facility. As part of this project, these spaces will be relocated and reconfigured into two LDRs, three on-call rooms, and two provider work areas. In conjunction with the relocation and expansion of the OB triage area, the relocation and reconfiguration of the LDR and on-call rooms will improve patient flow and will allow for the space to be more efficiently utilized.

The nursery and associated support space will also be reconfigured and relocated as part of this project. Since the time the existing nursery was built, clinical operations have evolved such that after delivery, providers at CMC now utilize a mother-baby couplet model of care. This model typically involves caring for newborns and mothers in the same room instead of delivering care to newborns in a dedicated nursery. To better align with this type of care delivery, the footprint of the new nursery will be smaller than the existing nursery space, but it will have several improved features. There will be a separate infant isolation area, an improved circumcision room, and the nursery will have the ability to flex its capacity as needed. In addition to the renovated nursery, the proposed project also involves renovating an existing staff lounge located in 8T's central nursing area so that it can be repurposed and utilized as an emergency nursery space.

Summary

Based on the above facts, this project is exempt from Certificate of Need review. We are requesting that you confirm in writing that Carolinas Medical Center's project to renovate and complete aesthetic improvements to maternity and related space on the 1st and 8th floors of the main hospital building 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 Kirkman
Assistant Vice President
Atrium Health Strategic Services Group

cc: Chan Roush, Vice President & Facility Executive, Carolinas Medical Center

Attachment A

PROPOSED TOTAL CAPITAL COST OF PROJECT

Project name: CMC Maternity Renovation
Provider/Company: Atrium Health

(1) Purchase price of land	\$0
(2) Closing costs	\$0
(3) Site Preparation	\$0
(4) Construction/Renovation Contract	\$6,717,000
(5) Landscaping	\$0
(6) Architect/Engineering Fees	\$703,000
(7) Medical Equipment	\$326,000
(8) Non Medical Equipment	\$0
(9) Furniture	\$535,000
(10) Consultant Fees (CON Fees, Legal Fees, Other Fees)	\$21,000
(11) Financing Costs	\$0
(12) Interest During Construction	
(13) Other (IS, Security, Internal Allocation)	\$1,898,000
(14) Total Capital Cost	\$10,200,000

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

[Handwritten Signature] _____ 12/21/20
 (Signature of Licensed Architect or Engineer) DATE

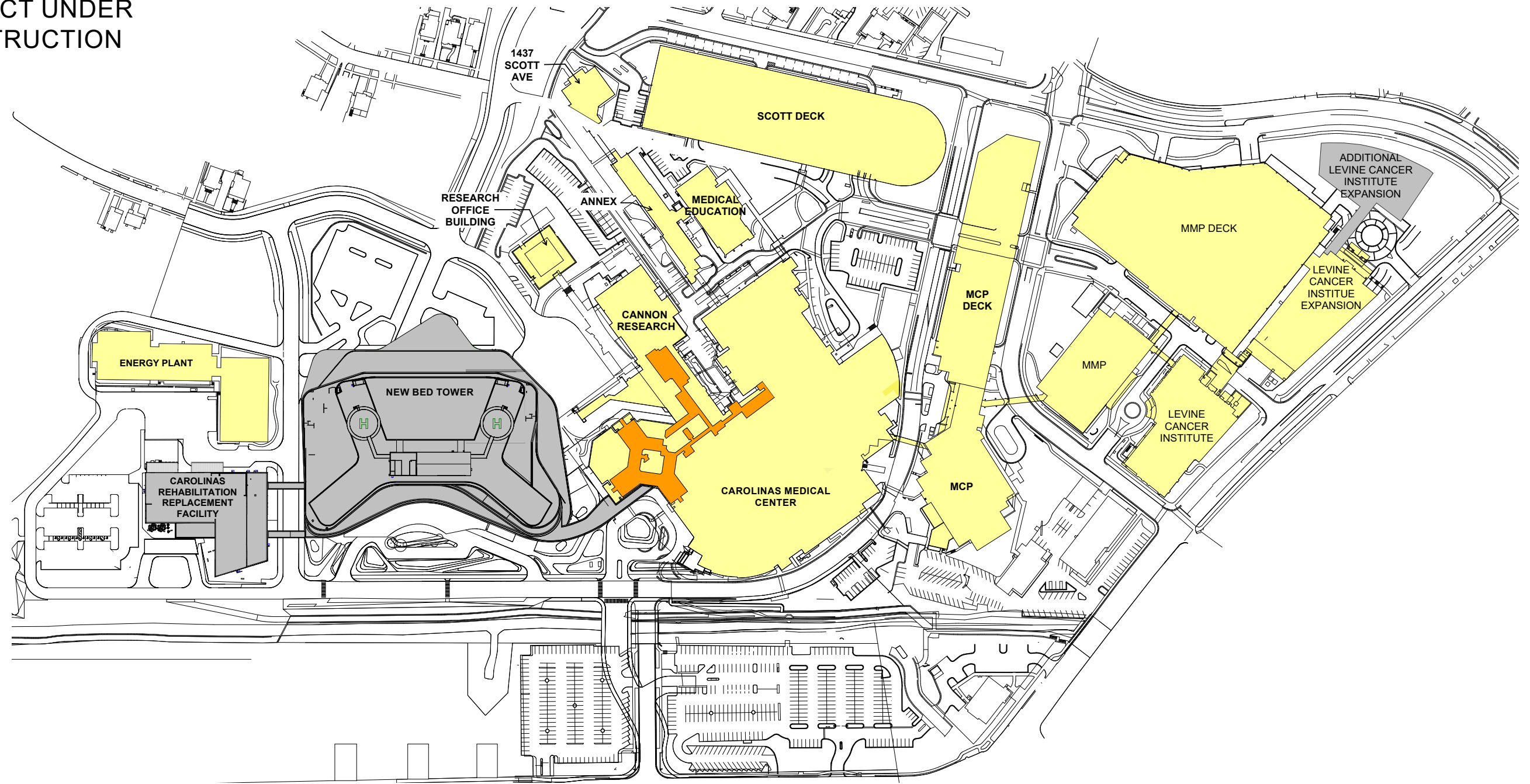


Sales taxes have been included in these equipment costs. However, because Atrium Health is entitled to a sales tax refund under N.C. Gen. Stat. § 105-164.14(b) and 105-467, the sales tax that Atrium Health initially incurs for this medical equipment purchase will be refunded to Atrium Health, and thus will reduce the capital costs that Atrium Health actually incurs for the equipment by \$17,719.45.

Attachment B

COLOR KEY

- EXISTING BUILDING
- RENOVATION
- PROJECT UNDER CONSTRUCTION



SITE PLAN

8T WOMEN'S RENOVATION & AESTHETICS

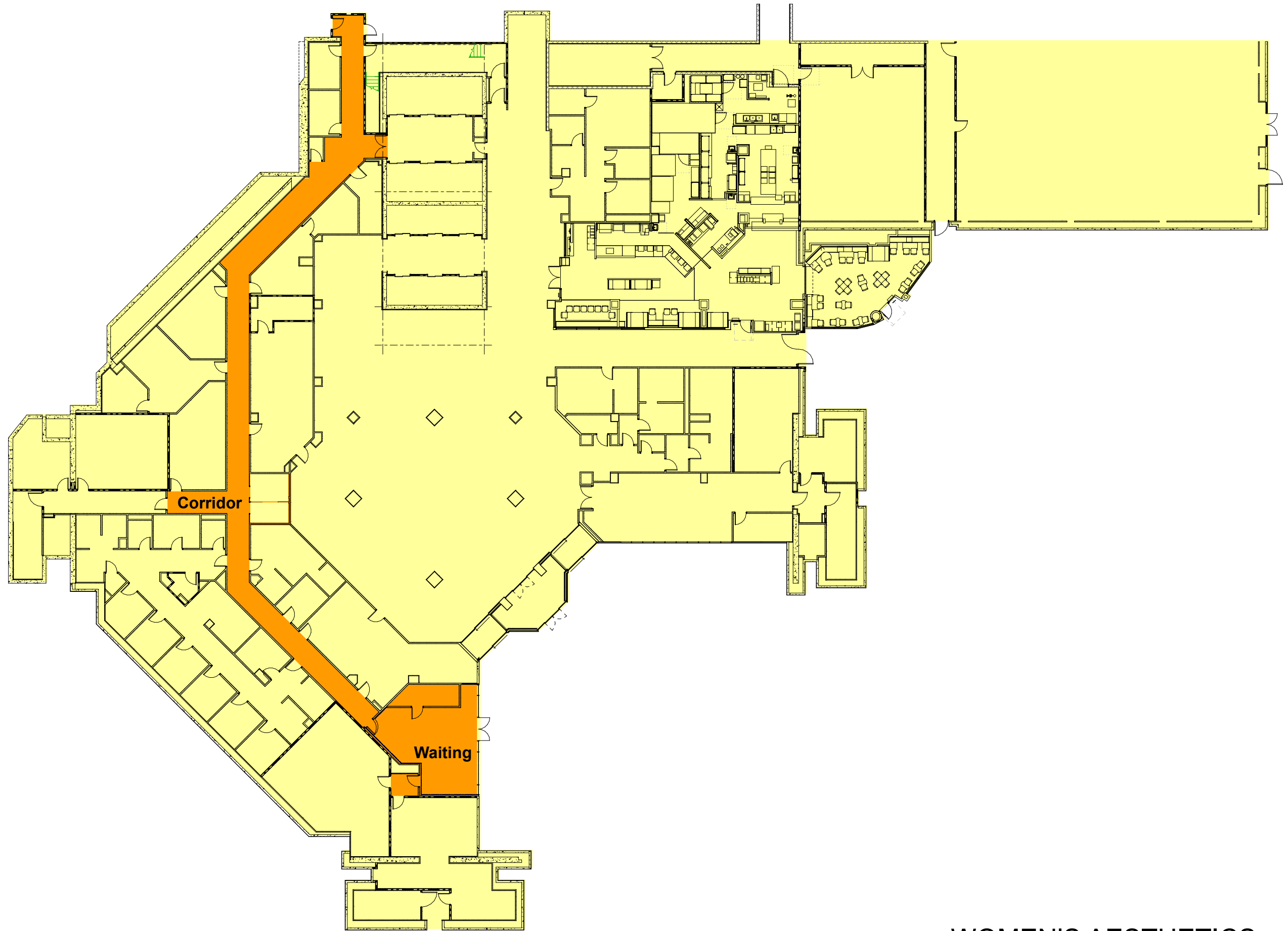


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



EXISTING LEVEL 01 PLAN

ATRIUM HEALTH

02/19/2021

WOMEN'S AESTHETICS

CAROLINAS MEDICAL CENTER

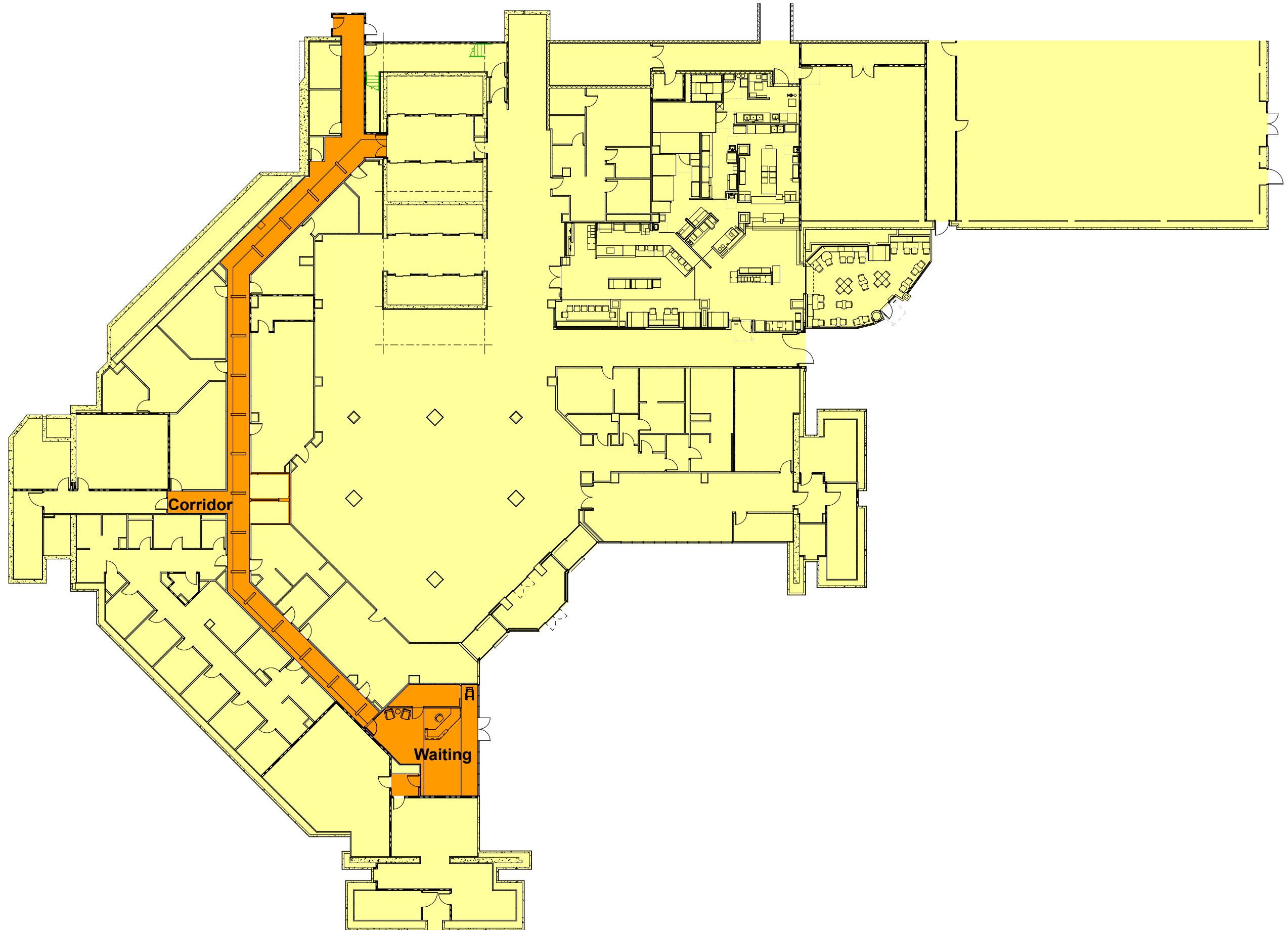


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



PROPOSED LEVEL 01 PLAN

ATRIUM HEALTH

02/19/2021

WOMEN'S AESTHETICS

CAROLINAS MEDICAL CENTER

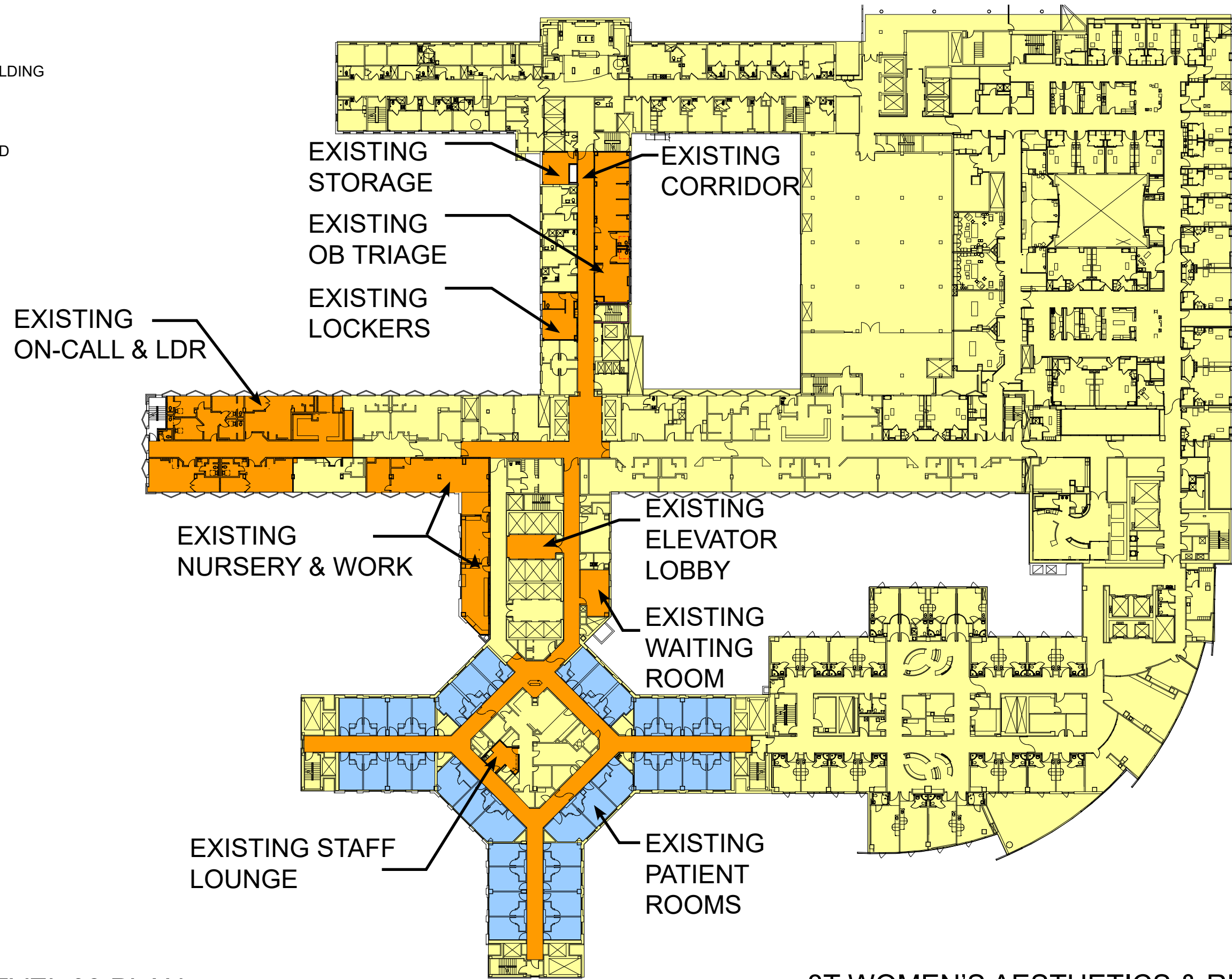


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



EXISTING LEVEL 08 PLAN

8T WOMEN'S AESTHETICS & RENOVATION



COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED

NEW OB TRIAGE

NEW NURSERY
& SUPPORT

CORRIDOR

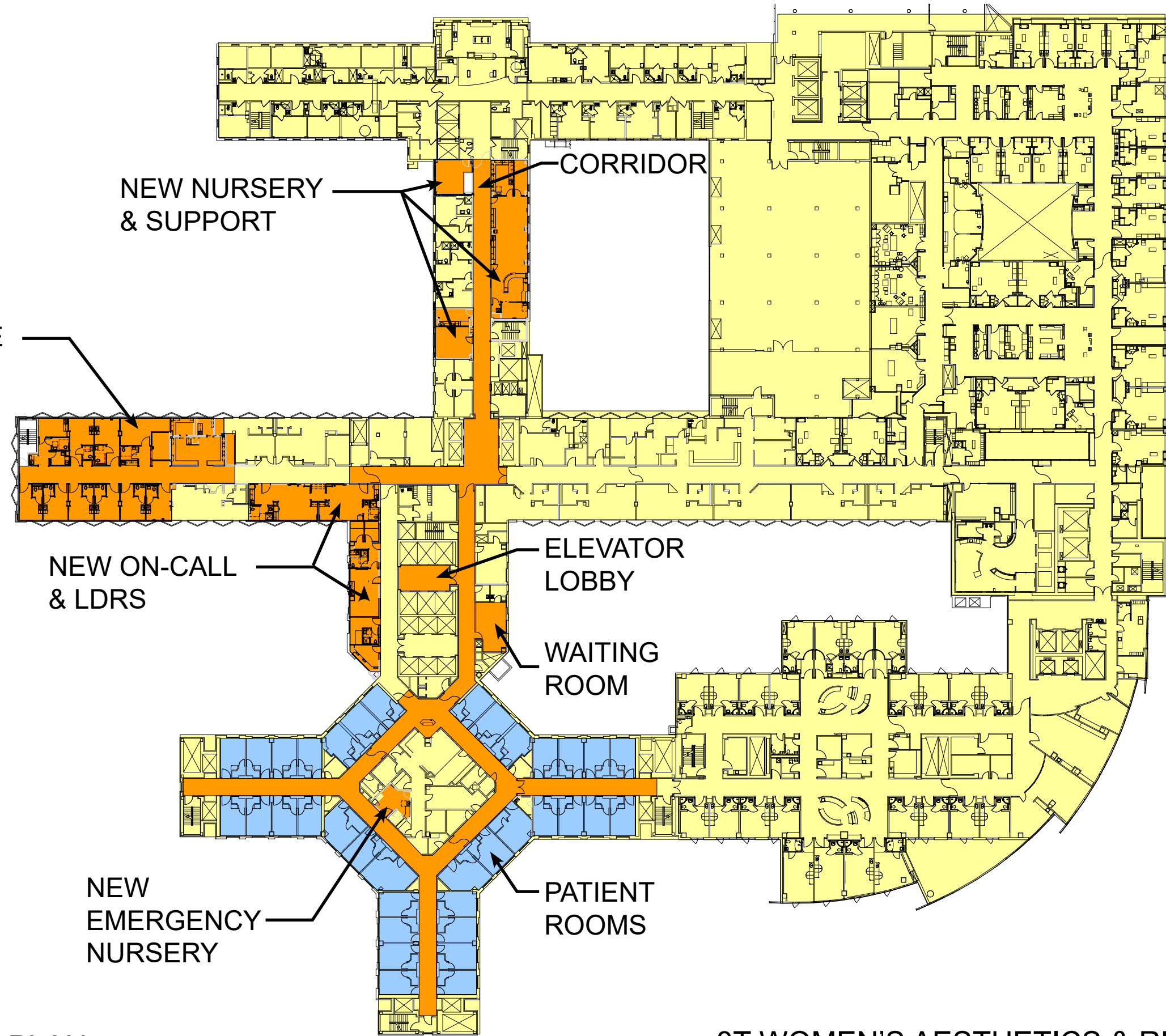
NEW ON-CALL
& LDRS

ELEVATOR
LOBBY

WAITING
ROOM

NEW
EMERGENCY
NURSERY

PATIENT
ROOMS



PROPOSED LEVEL 08 PLAN

8T WOMEN'S AESTHETICS & RENOVATION

ATRIUM HEALTH

02/19/2021

CAROLINAS MEDICAL CENTER

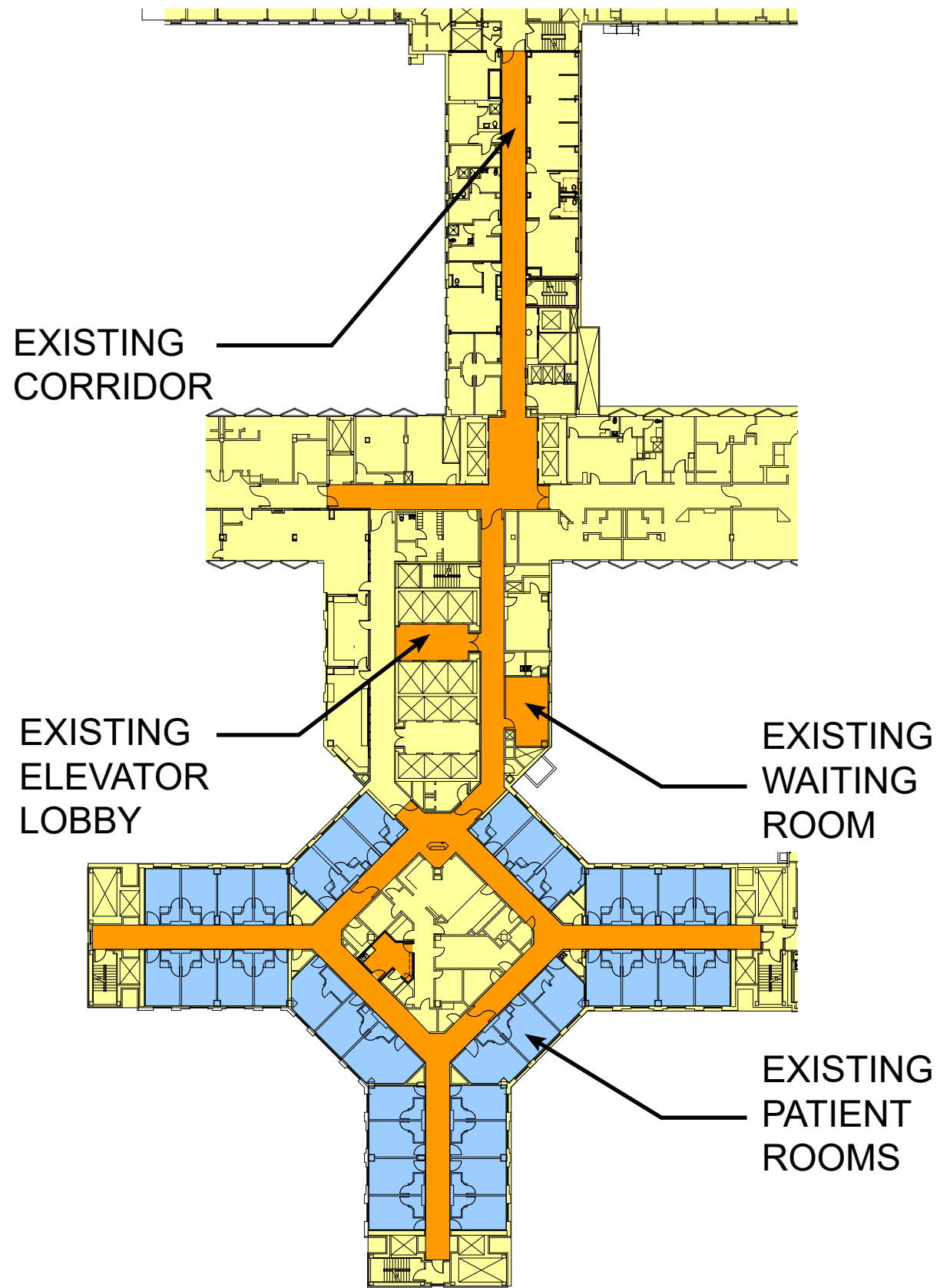


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



EXISTING LEVEL 08 PLAN

ATRIUM HEALTH

02/19/2021

8T WOMEN'S AESTHETICS

CAROLINAS MEDICAL CENTER



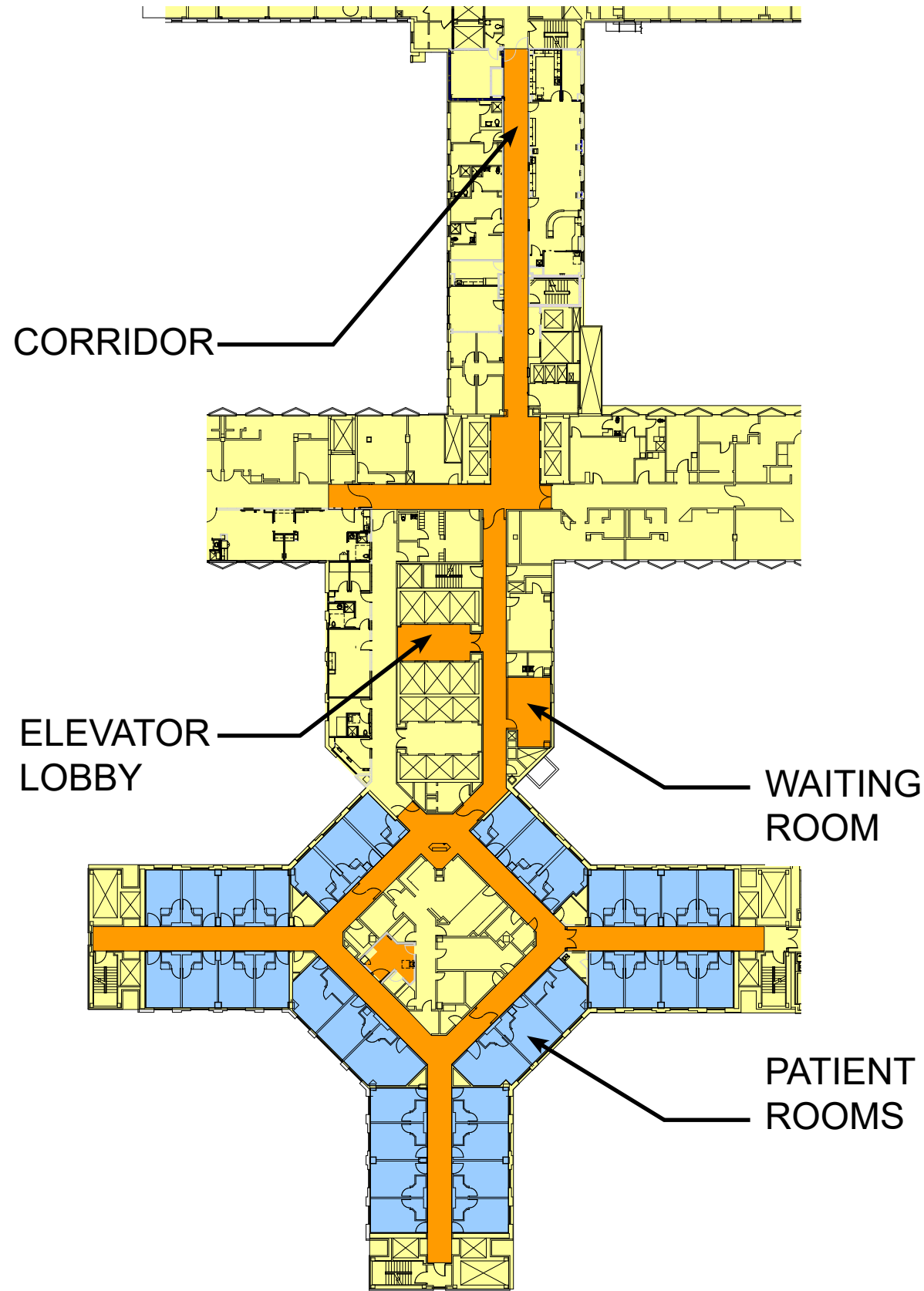
COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED

AESTHETICS UPGRADES
TO POSTPARTUM ROOMS,
WAITING AND CORRIDORS.



PROPOSED LEVEL 08 PLAN

ATRIUM HEALTH

02/19/2021

8T WOMEN'S AESTHETICS

CAROLINAS MEDICAL CENTER

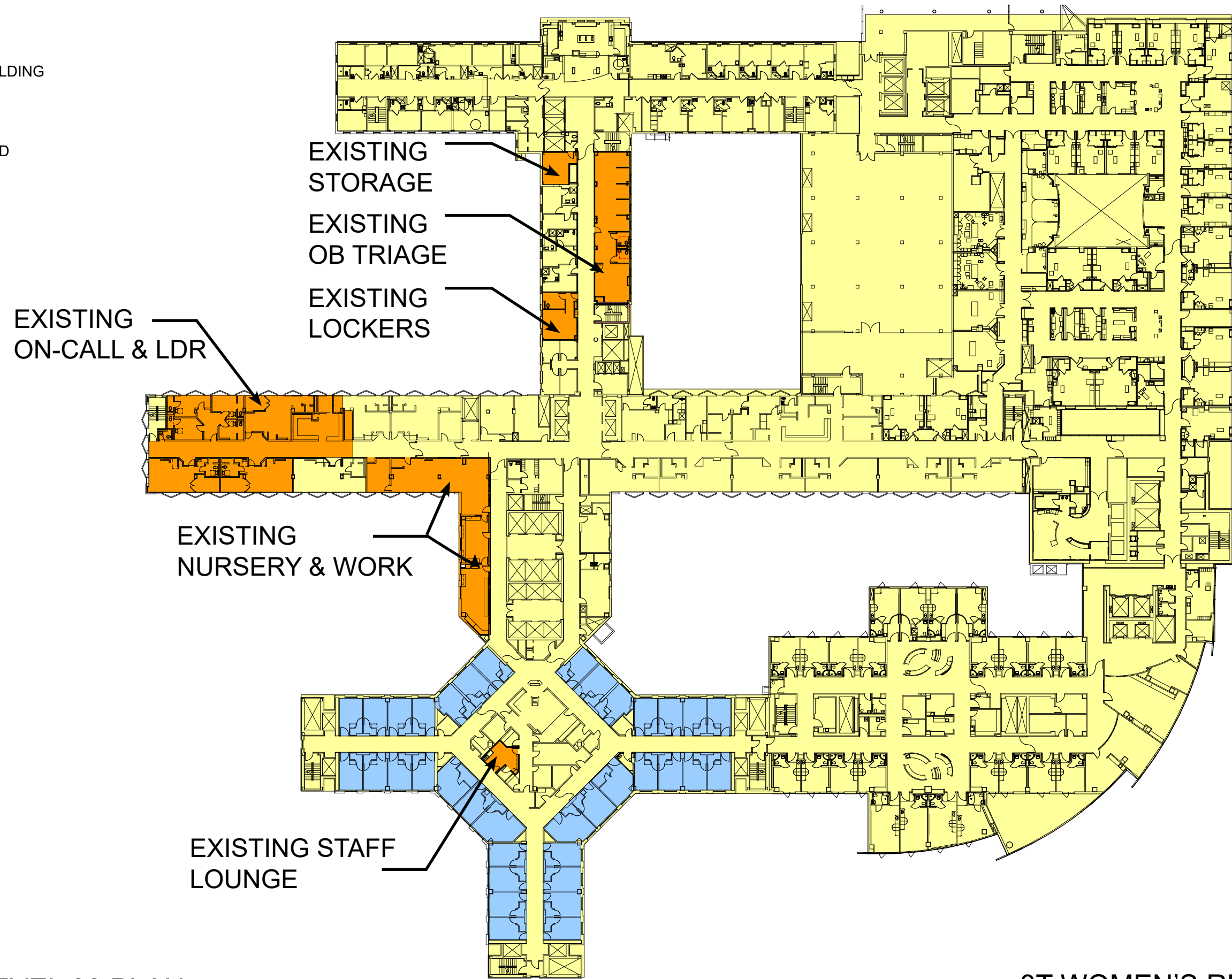


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



EXISTING LEVEL 08 PLAN

ATRIUM HEALTH

02/19/2021

8T WOMEN'S RENOVATION

CAROLINAS MEDICAL CENTER



COLOR LEGEND

EXISTING BUILDING

RENOVATION

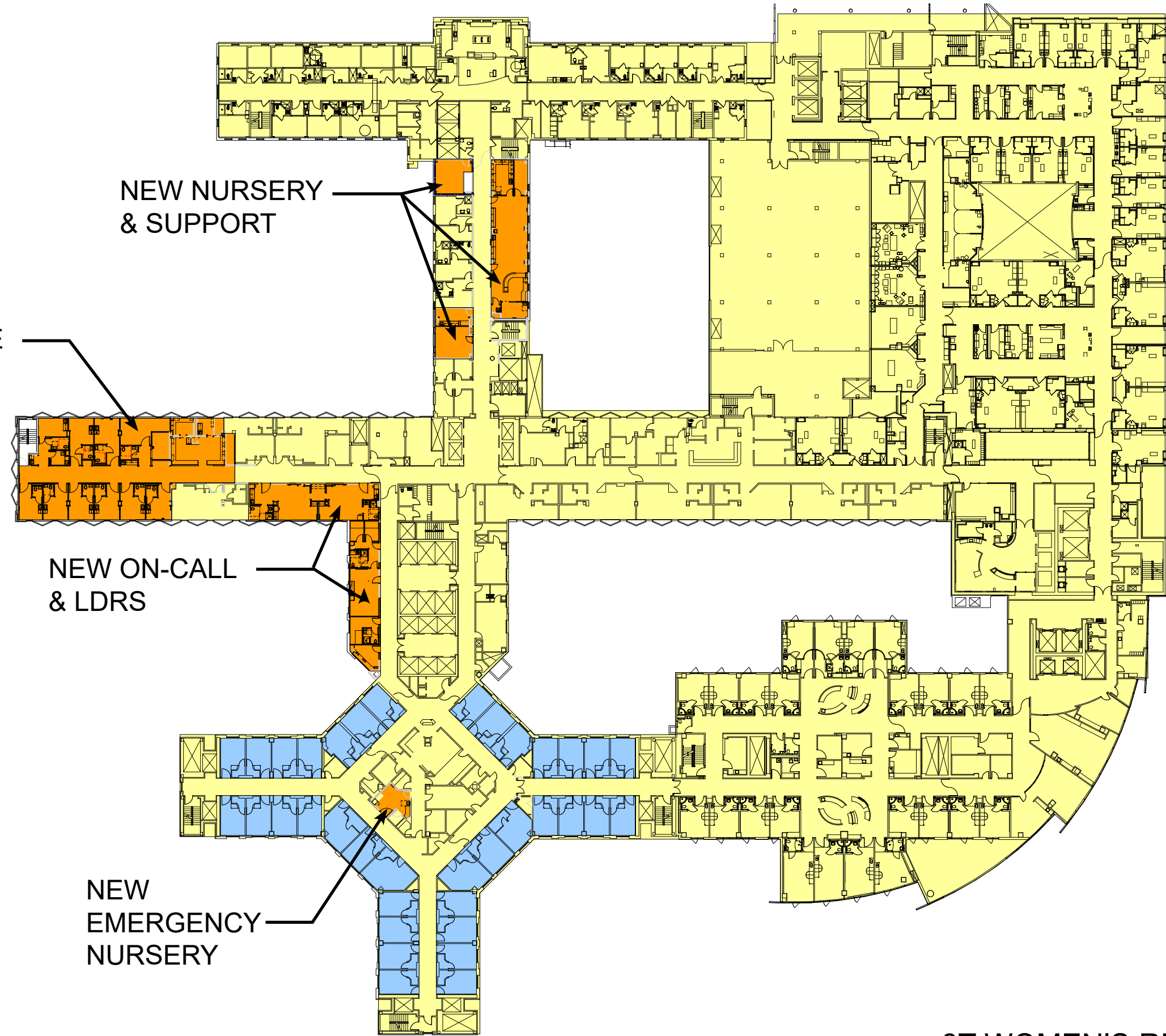
LICENSED BED

NEW OB TRIAGE

NEW NURSERY
& SUPPORT

NEW ON-CALL
& LDRS

NEW
EMERGENCY
NURSERY



PROPOSED LEVEL 08 PLAN

ATRIUM HEALTH

02/19/2021

8T WOMEN'S RENOVATION

CAROLINAS MEDICAL CENTER

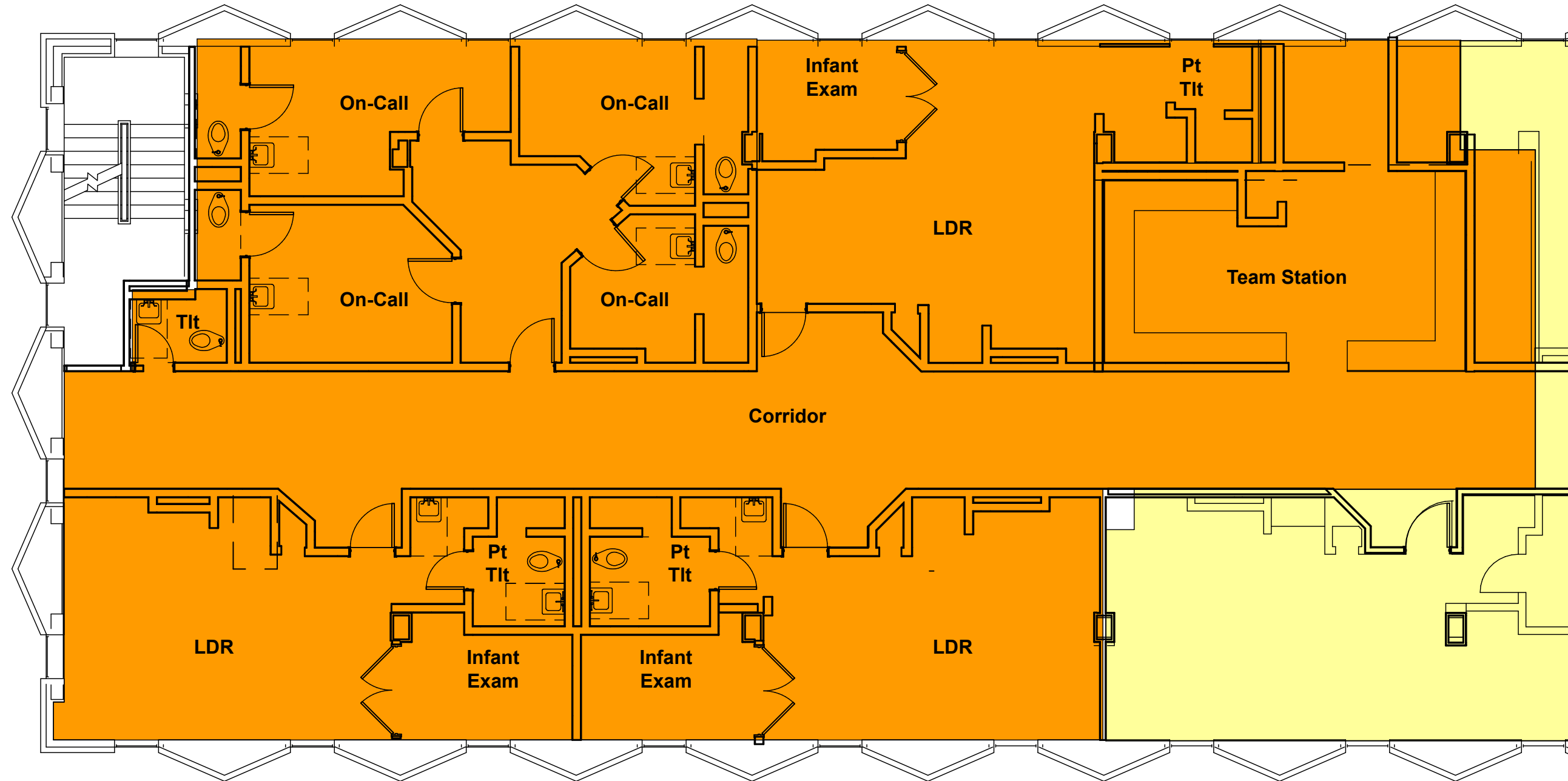


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



ENLARGED EXISTING LEVEL 08 PLAN - LDR & ON-CALL

ATRIUM HEALTH

02/19/2021

8T WOMEN'S RENOVATION

CAROLINAS MEDICAL CENTER

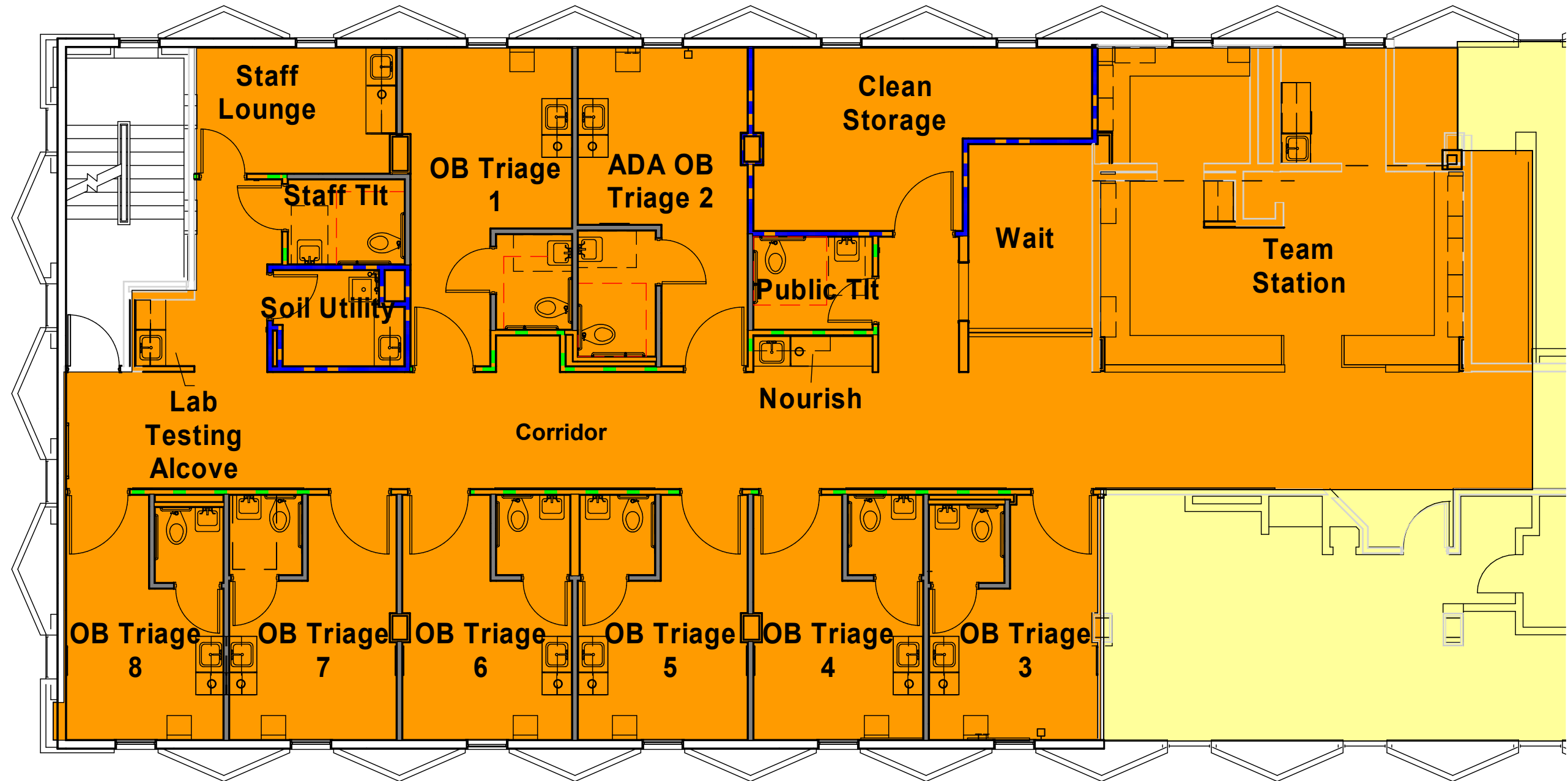


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



ENLARGED PROPOSED LEVEL 08 PLAN - OB TRIAGE

ATRIUM HEALTH

02/19/2021

8T WOMEN'S RENOVATION

CAROLINAS MEDICAL CENTER

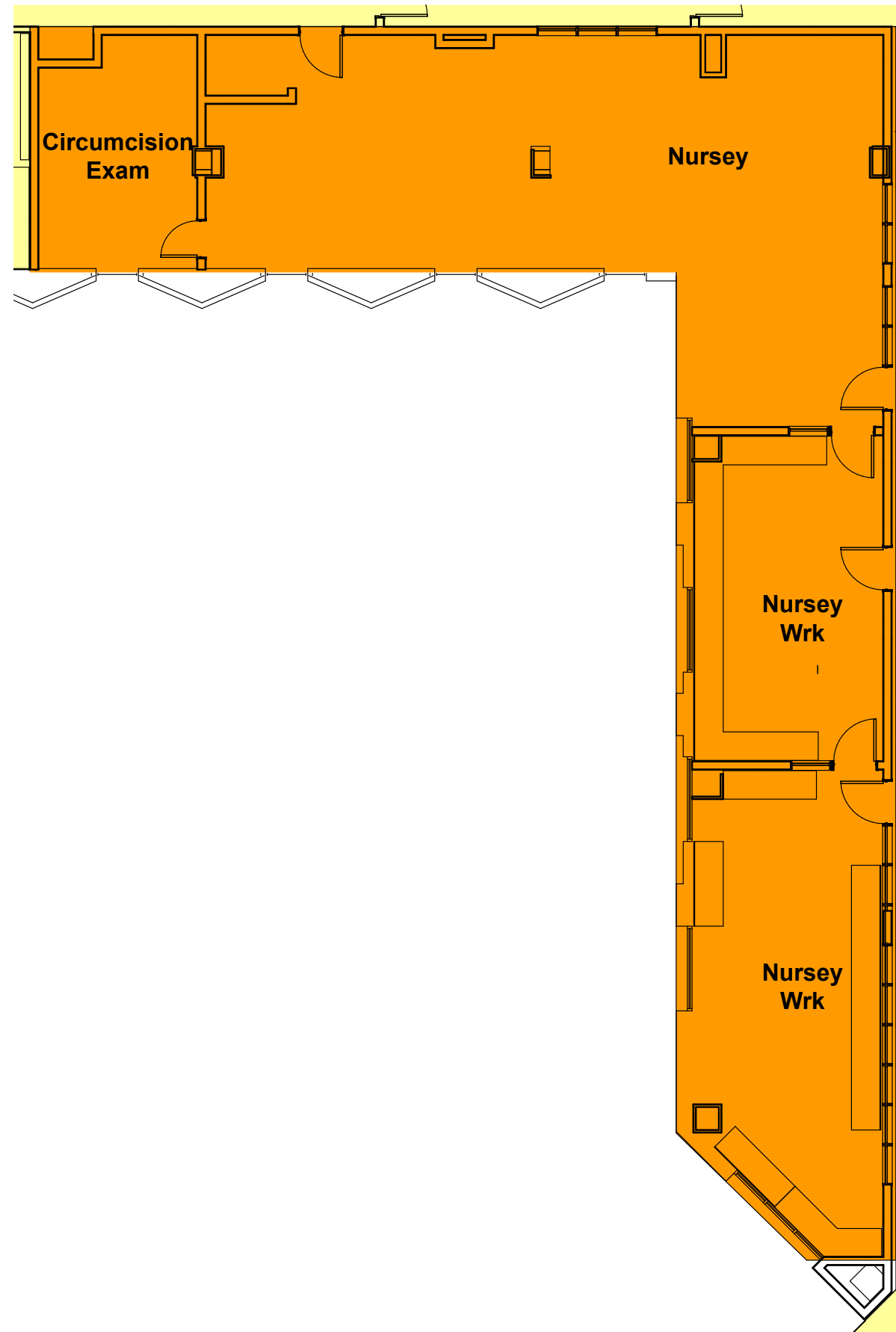


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



ENLARGED EXISTING LEVEL 08 PLAN - NURSERY & WORK

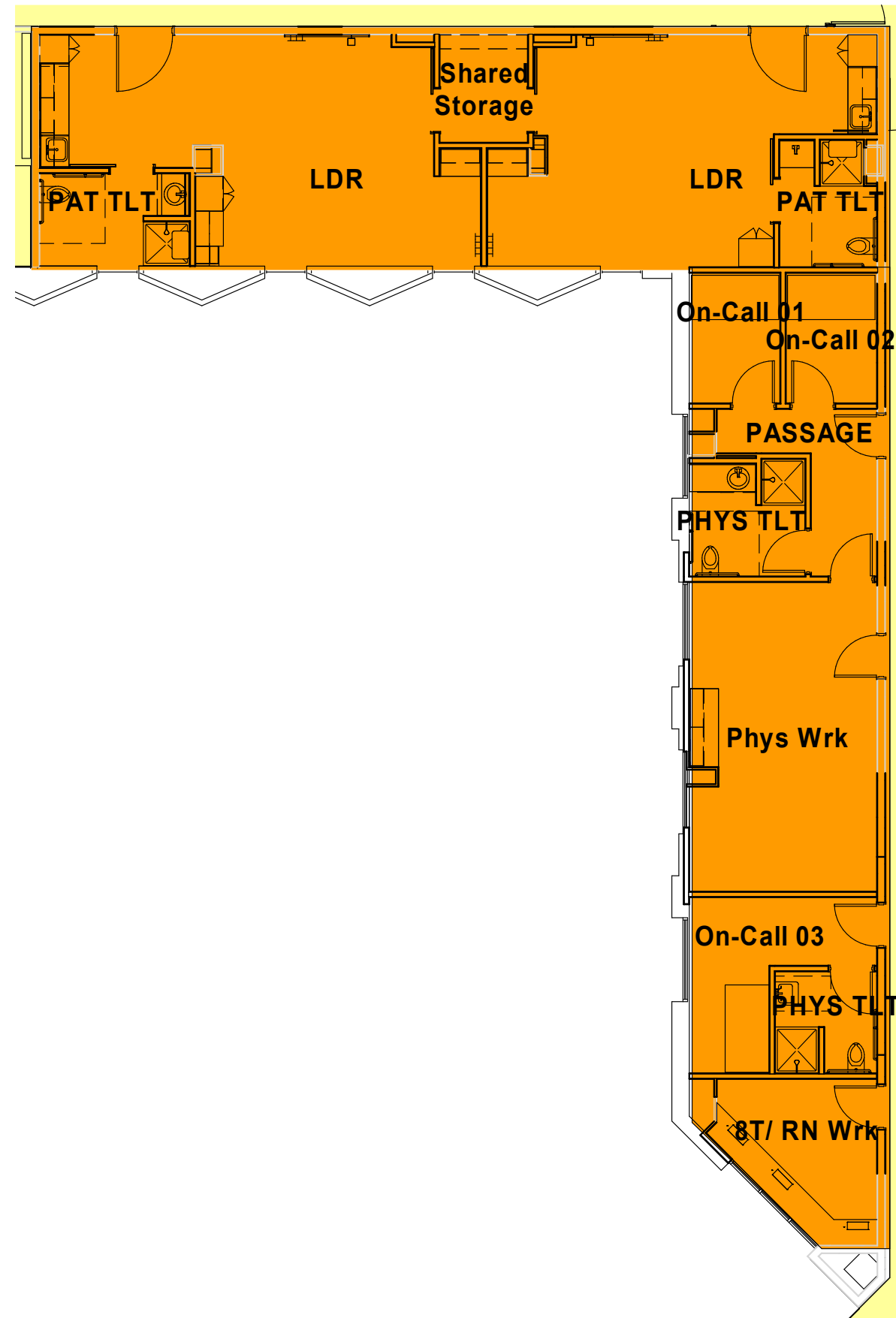


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



ENLARGED PROPOSED LEVEL 08 PLAN - ON-CALL / LDR

8T WOMEN'S RENOVATION

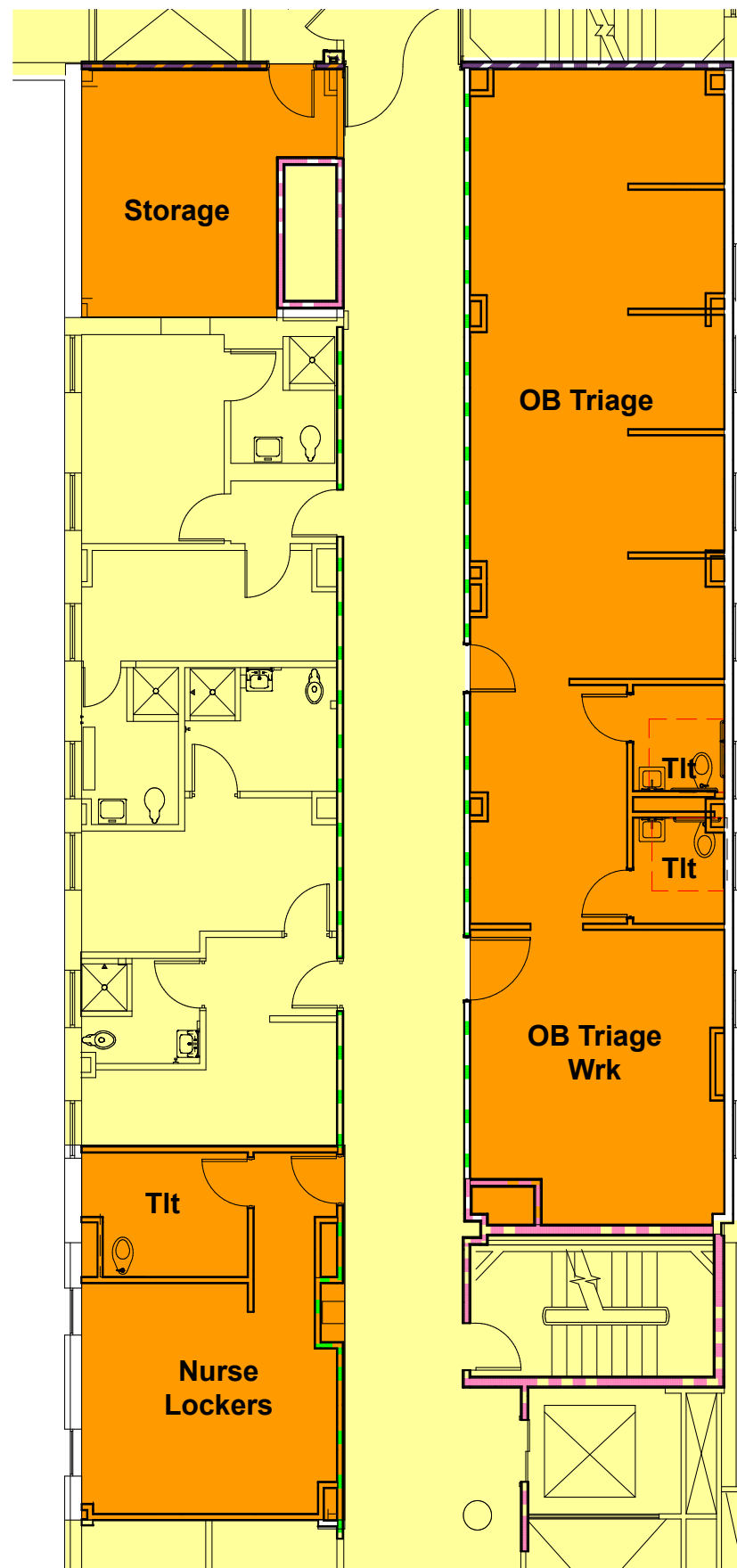


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



ENLARGED EXISTING LEVEL 08 PLAN - OB TRIAGE & STORAGE

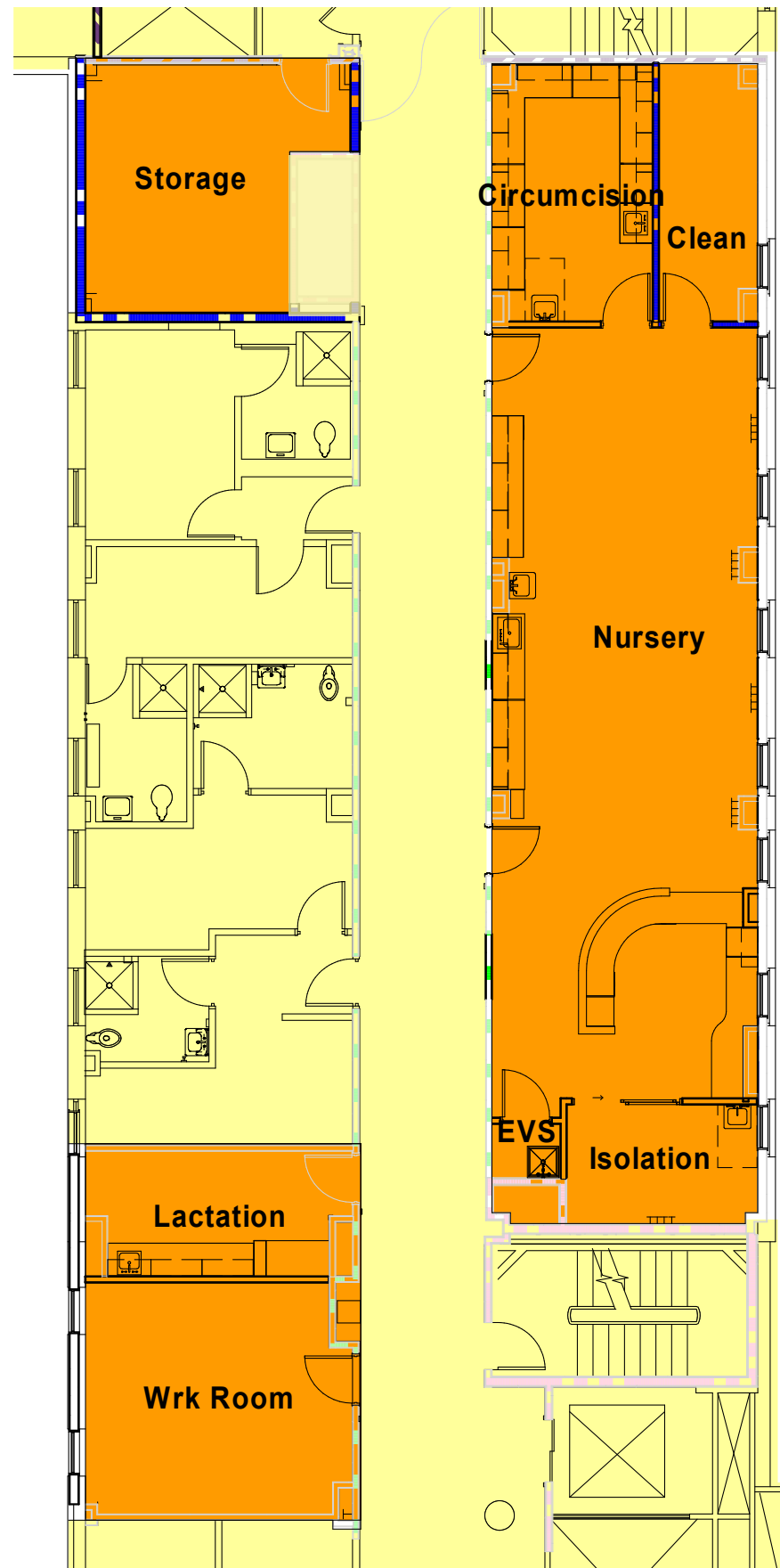


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



ENLARGED PROPOSED LEVEL 08 PLAN - NURSERY & WORK

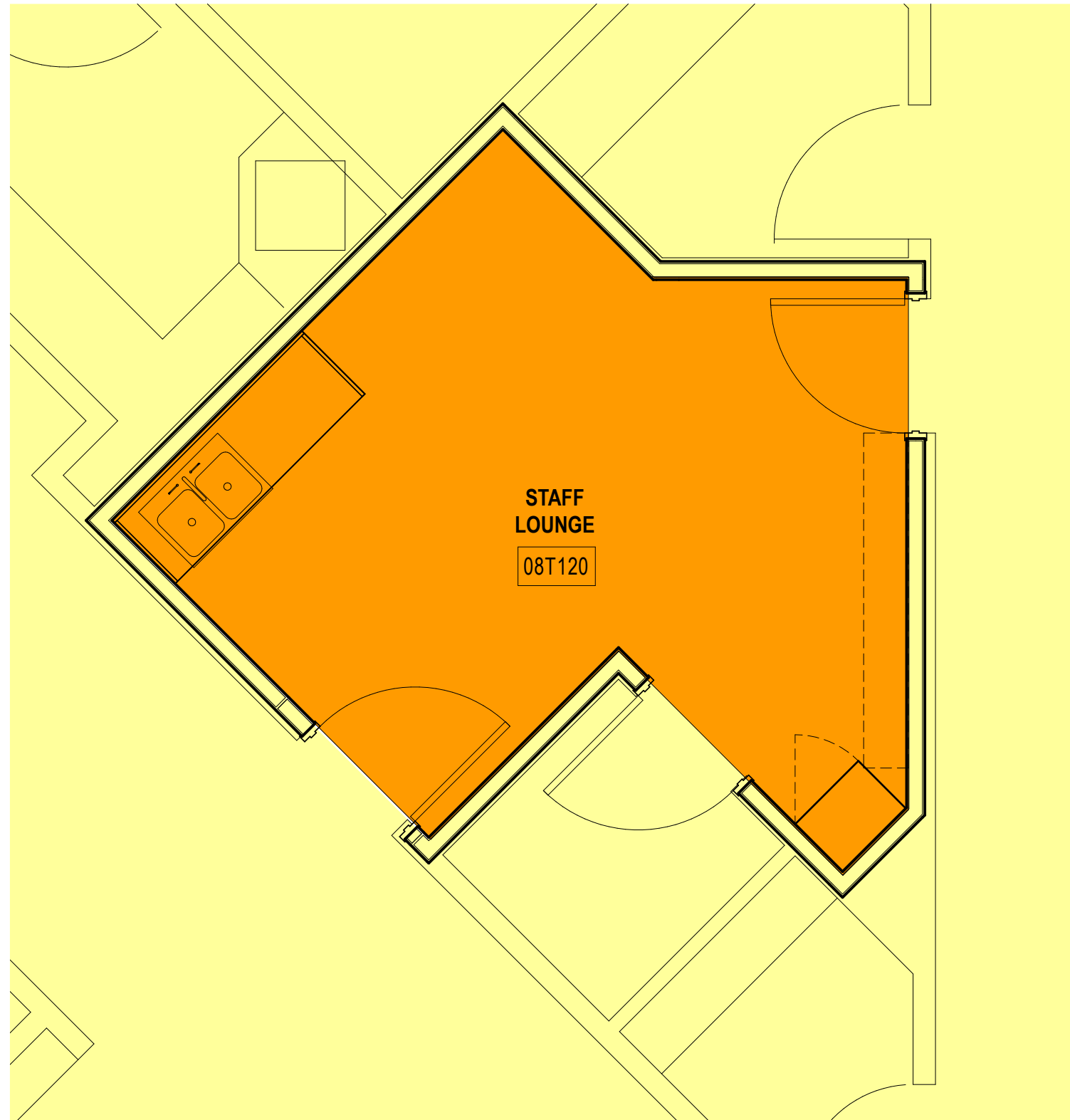


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



ENLARGED EXISTING LEVEL 08 PLAN - STAFF LOUNGE

ATRIUM HEALTH

02/19/2021

8T WOMEN'S RENOVATION

CAROLINAS MEDICAL CENTER

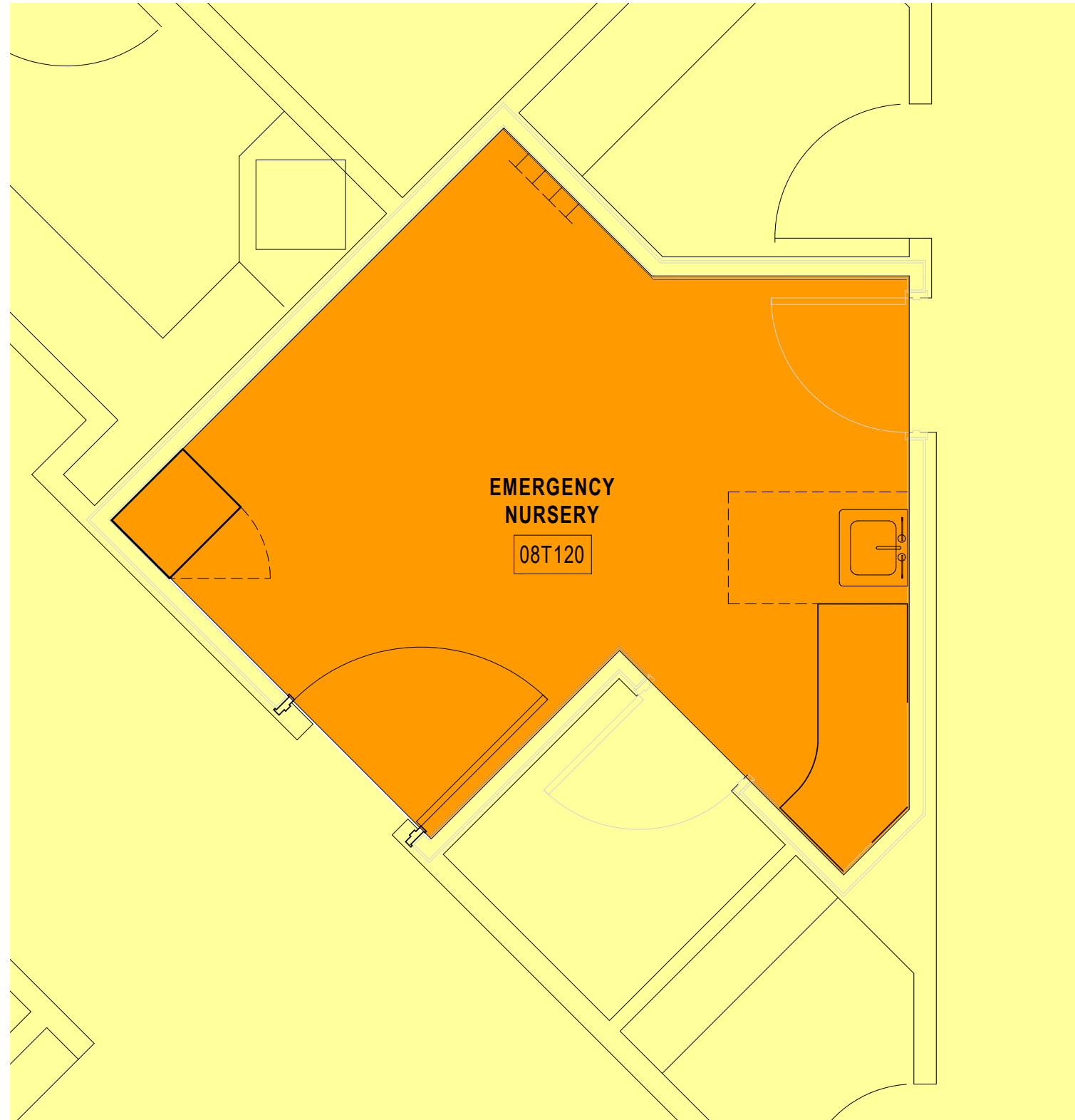


COLOR LEGEND

EXISTING BUILDING

RENOVATION

LICENSED BED



ENLARGED PROPOSED LEVEL 08 PLAN - EMERGENCY NURSERY

8T WOMEN'S RENOVATION



Attachment C

State of North Carolina

Department of Health and Human Services Division of Health Service Regulation

*Effective January 01, 2021, 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,

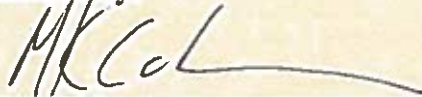
Dedicated Inpatient Surgical Operating Rooms: 9

Dedicated Ambulatory Surgical Operating Rooms: 11

Shared Surgical Operating Rooms: 42

Dedicated Endoscopy Rooms: 12

Authorized by:



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



Director, Division of Health Service Regulation