



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

October 22, 2021

Andrea Gymer
amgymer@novanthealth.org

Exempt from Review

Record #: 3712
Date of Request: October 21, 2021
Facility Name: Novant Health Matthews Medical Center
FID #: 945076
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Expansion of and changes to previously approved exemption (Record #3037) to construct a new patient bed and surgical services tower on the main campus
County: Mecklenburg

Dear Ms. Gymer:

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

Micheala Mitchell
Chief

cc: Construction Section, DHSR; Acute and Home Care Licensure and Certification Section, DHSR;
Radiation Protection Section, DHSR
Lisa Griffin, Novant Health (llgriffin@novanthealth.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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



VIA EMAIL

October 21, 2021

Ms. Micheala Mitchell, Chief
Healthcare Planning and Certificate of Need
North Carolina Department of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

Novant Health

2085 Frontis Plaza Drive
Winston-Salem, NC 27103

RE: Novant Health Matthews Medical Center
Change in Project for Bed & Surgical Services Tower
Matthews, North Carolina (FID # 945076, Mecklenburg County)

Dear Ms. Mitchell:

In a letter dated September 9, 2019, the Agency deemed Novant Health Matthews Medical Center (“NH Matthews”) Bed & Surgical Services Tower (“Tower”) project exempt from certificate of need review in accordance with N.C. Gen. Stat. § 131E-184(g). See Attachment A for the letter. The purpose of this letter is to inform the Agency of certain changes to the Tower project and seek the Agency’s written confirmation that the project is exempt from CON review.

Overview

As the design of the new Tower has progressed, there have been modifications to the design which have impacted the capital costs and increased the square footage. Originally, the Tower was to be constructed adjacent to the existing hospital building connected by a connecting walkway. Now, to better serve patients with efficient patient and staff flow while economically utilizing support services and spaces, the existing hospital building will be renovated, existing floors expanded and a new fourth floor added to construct a new Tower.

The new square footage of the Tower and expansion project will be approximately 200,000 square feet and the estimated capital costs are \$148,459,164. A Projected Capital Costs Form is included as Attachment B. Note that the space for approved CON projects to add 20 new acute care beds and one operating room, Project ID # F-11808-19 and Project ID # F-11807-19 respectively, are included in the Tower project. Neither the scope nor the approved capital costs of those CON-approved projects is impacted by the redesign of the Tower and expansion project.

Refer to Attachment C for a site plan of the existing NH Matthews Campus. Attachment D is an overview of the redesigned Tower project and expansion of the current NH Matthews footprint.

Proposed Changes in Detail

The Ground Floor which houses most of the mechanical and infrastructure support will be expanded to include a larger Central Energy Plant and generator space¹. The First Floor expansion will include a new Sterile Processing Department, mechanical space for the new addition, and shelled space for future expansion of Imaging Services at NH Matthews.

Instead of relocating existing acute care beds to the planned Second Floor as presented in the original project, this floor will encompass all NH Matthews Surgical Services. All six existing operating rooms will be relocated and the one new CON approved operating room (Project ID # F-11807-19) will be developed. The new space will also include pre-post bays, PACU bays, endoscopy rooms, and procedure rooms.

The Third Floor expansion will encompass a renovation and expansion of the existing Cardiac Catheterization Lab and cardiology services department. Additionally, an 18 bed Observation Unit (unlicensed beds) will also be constructed and a new Medical-Surgical Unit will be added that will house the new 20 licensed acute care beds approved per Project ID # F-11808-19 and four new unlicensed observation beds.

As part of the redesigned Tower project, a Fourth Floor will be constructed that will include a new ICU unit (existing ICU beds to be relocated to the new space) with a connecting corridor to newly constructed shelled space for future expansion. Refer to the site plan in Attachment D.

The project will not increase the number of licensed beds, operating rooms, or other regulated assets. NH Matthews will file a certificate of need application for any additional new institutional health services that would be developed in any newly constructed space.

Analysis

Pursuant to N.C. Gen. Stat. §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 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. Gen. Stat. §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."*

¹ The Central Energy Plant and generator space are exempt projects as of N.C. G.S. § 131E-184(a)(4).

The NH Matthews 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 an existing health service facility, NH Matthews, on the main campus located at 1500 Matthews Township Parkway, Matthews, North Carolina 28105. As is shown in Attachment D, the new tower will be an expansion of the main building and, therefore, within 250 yards of the main building.
- The capital expenditure will not result in a change in bed capacity or the addition of a health service facility or any other new institutional health service other than that allowed by G.S. § 131E-176(16)(b).
- This letter constitutes the required prior written notice. NH Matthews provides clinical patient services and exercises financial and administrative control from its location detailed above. The NH Matthews President's office is located on the main floor of the hospital in Administration.

Request

Based on the foregoing, we respectfully request that the Agency issue written confirmation that this project is exempt from Certificate of Need review under N.C. Gen. Stat. § 131E-184(g). If you have any questions about this project, please contact me.

Sincerely,

DocuSigned by:

Andrea Gymer

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Andrea Gymer

Vice President, Strategic & Business Planning
Novant Health, Inc.

Enclosures

ATTACHMENT A



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 9, 2019

Andrea Gymer
amgymer@novanthealth.org

Exempt from Review

Record #: 3037
Facility Name: Novant Health Matthews Medical Center
FID #: 945076
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Construct a new patient bed and surgical services tower on the main campus
County: Mecklenburg

Dear Ms. Gymer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of **August 30, 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

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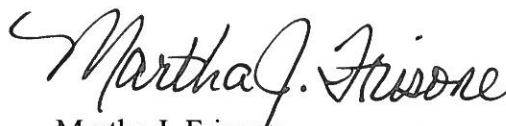
AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Lisa Griffin, Novant Health (lgriffin@novanthealth.org)

August 30, 2019

VIA EMAIL

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



2085 Frontis Plaza Boulevard
Winston-Salem, NC 27103

**Re: Novant Health Matthews Medical Center
Notice of Exemption for Patient Bed & Surgical Services Tower
Matthews, North Carolina (FID # 945076; Mecklenburg County)**

Dear Ms. Frisone:

This letter serves as notice of Novant Health Matthews Medical Center's (NHMMC) intention to construct a new patient bed and surgical services tower on its main campus located in Matthews, North Carolina. This new building will comprise three (3) stories and be approximately 147,000 square feet. The new tower will be located on NHMMC's main campus on the south side, adjacent to the Emergency Department. The new tower is approximately ten (10) yards from NHMMC and will be connected to the existing hospital via connector hallways. See Attachment A for a site map of the NHMMC campus indicating the location of the new tower. The total capital costs of the new tower is estimated to be \$114,450,310. A Project Capital Costs Summary and a certified architect's letter are included as Attachment B.

The new patient bed and surgical services tower will be comprise the following:

- First Floor - Surgical & GI-Endoscopy Services
- Second Floor - 18 Replacement Beds and 6 Observation Beds
- Third Floor - Shelled Space

Surgical and GI-Endoscopy services will occupy the First Floor. NHMMC intends to relocate six (6) existing licensed operating rooms and three (3) existing licensed GI-endoscopy rooms from NHMMC to the first floor of the new tower. This floor will also include all necessary support space and pre/post recovery for the operating and GI-endoscopy rooms.

NHMMC will relocate five (5) existing licensed acute care beds from the hospital's 3rd floor Medical-Surgical Unit, five (5) existing licensed acute care beds from the hospital's 4th floor Medical-Surgical Unit, and eight (8) existing licensed acute care beds from the hospital's 2nd floor Womens Services Unit to the second floor of the new tower for a total of eighteen (18) licensed acute care beds. NHMMC also plans to add six (6) unlicensed observation beds on the second floor of the new tower. Refer to Attachment C for a copy of NHMMC's current hospital license.

Ms. Martha Frisone

NHMMC Notice of Exemption for Patient Bed & Surgical Services Tower

Page 2

The project will not increase the number of licensed beds, operating rooms, or other regulated assets. NHMMC will file a certificate of need application for any additional new institutional health services that would be developed in any newly constructed space.

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 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."*

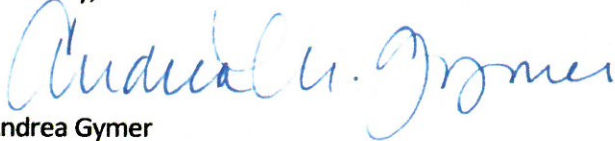
The NHMMC patient bed and surgical services tower project meets each of the applicable conditions set forth above:

- The estimated capital cost of the project exceeds \$2,000,000.
- The sole purpose of the capital expenditure is to expand an existing health service facility, NHMMC, on the main campus located at 1500 Matthews Township Parkway, Matthews, North Carolina, 28105. As is shown on Exhibit A, the new tower will be adjacent to the main building and within 250 yards of the main building.
- The capital expenditure will not result in a change in bed capacity or the addition of a health service facility or any other new institutional health service other than that allowed by G.S. § 131E-176(16)(b).
- This letter constitutes the required prior written notice.
- NHMMC provides clinical patient services and exercises financial and administrative control from its location detailed above. The NHMMC President's office is located on the main floor of the hospital in Administration.

Ms. Martha Frisone
NHMMC Notice of Exemption for Patient Bed & Surgical Services Tower
Page 3

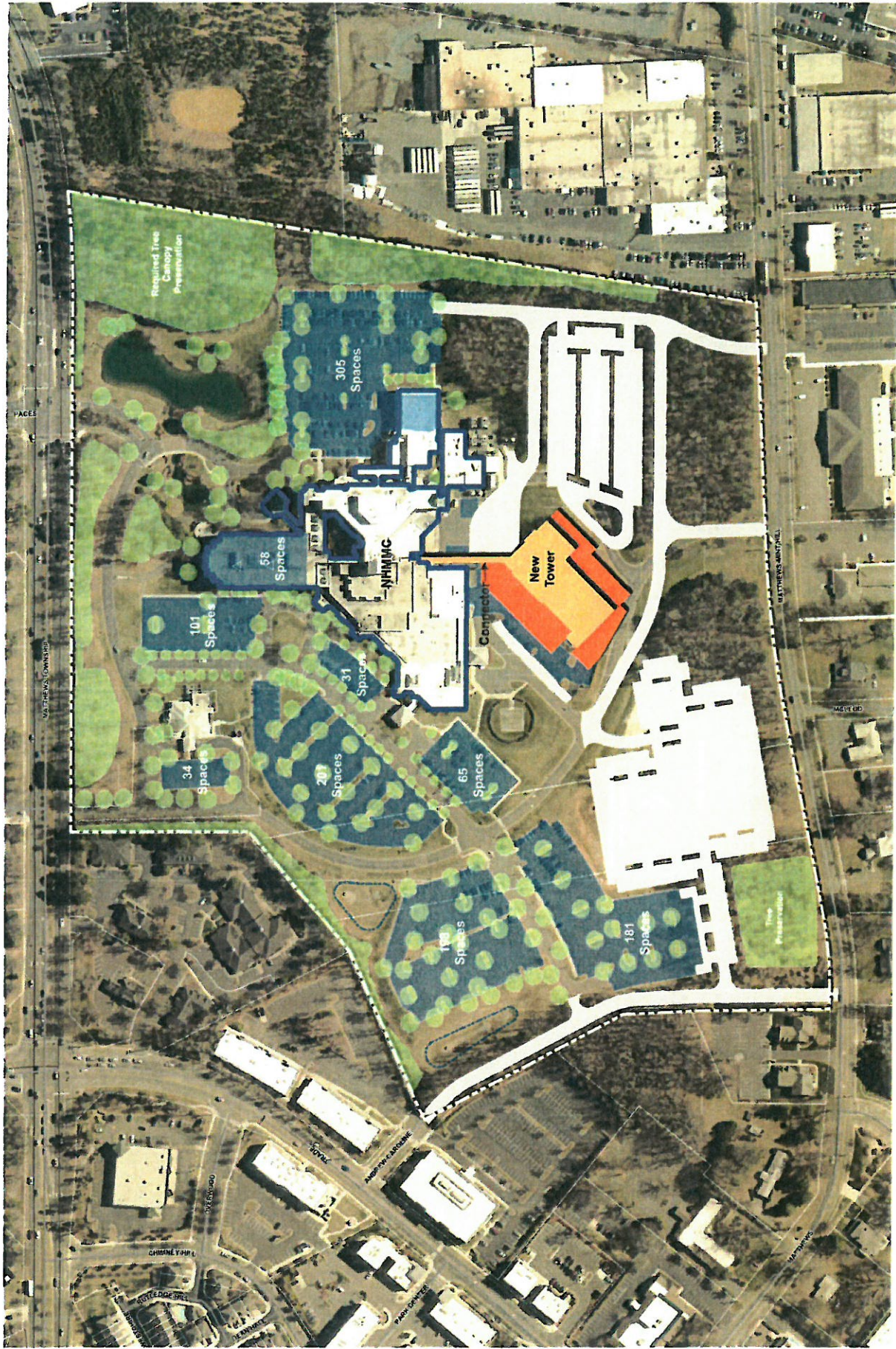
Based on the foregoing, we respectfully request that the CON Section issue written confirmation that this project is exempt from Certificate of Need under N.C.G.S § 131E-184(g). If you have any questions about this project, please contact me at (336) 277 – 1523.

Sincerely,



Andrea Gymer
Vice President, Operational Planning & Innovation
Novant Health, Inc

Attachment A
--Site Map



Novant Health Matthews Medical Center
 New Tower Expansion Site Plan



Attachment B

- **Capital Costs Summary**
- **Certified Architect's Letter**

Projected Capital Cost Form
mmc Bed + Surgical Services Tower

Building Purchase Price	N/A
Purchase Price of Land	N/A
Closing Costs	N/A
Site Preparation	\$7,931,695
Construction/Renovation Contract(s)	\$73,799,307
Landscaping	N/A
Architect / Engineering Fees	\$4,086,550
Medical Equipment	\$6,424,060
Non-Medical Equipment	N/A
Furniture	\$2,200,000
Consultant Fees (Engineering Fees)	N/A
Financing Costs	N/A
Interest during Construction	N/A
Other : <i>CONTINGENCY + OTHER*</i>	\$20,008,698
Total Capital Cost	\$ 114,450,310

CERTIFICATION BY A LICENSED ARCHITECT OR ENGINEER

I certify that, to the best of my knowledge, the projected capital cost for the proposed project is complete and correct for the construction cost.

Sam E. Major Jr
 Signature of Licensed Architect or Engineer

Date Signed: *8/29/18*

CERTIFICATION BY AN OFFICER OR AGENT FOR THE PROPONENT

I certify that, to the best of my knowledge, the projected total capital cost for the proposed project is complete and correct and that is our intent to carry out the proposed project as described.

[Signature]
 Signature of Officer/Agent

Date Signed: *8/29/18*

Vice President Construction + Engineering
 Title of Officer/Agent

* OTHER COSTS: IT, SECURITY SYSTEMS, PERMITS, DNSR REVIEW FEES

100 Queens Road
Suite 200
Charlotte, NC 28204
704/372-2740
www.McCullochEngland.com



August 29, 2019
H1936/17

Lloyd Rader
Director of Corporate Design Services
Novant Health
1900 Randolph Road
Suite 500
Charlotte, NC 28204

Re: Novant Health Matthews Medical Center
Charlotte, North Carolina

Dear Lloyd:

Listed below is a budget cost estimate for the proposed new Clinical Tower for Novant Health. We have met with Cumming, a cost estimating consultant, to help verify the proposed construction costs for this project. This estimate includes the general construction, sitework and infrastructure costs from the Central Energy Plant to serve this proposed tower.

Total General Construction Cost **\$ 81,731,002.00**

Note:

- This cost estimate does not include medical equipment, furniture, artwork or telecommunication equipment.
- The construction cost estimate does not include professional design fees which includes Architectural, Engineering, Interior Design and Kitchen Design Services. Based on the proposed estimated construction cost, we estimated a professional design fee of \$4,086,550.00

If you have any questions, please don't hesitate to call me.

Sincerely,

McCulloch England Associates Architects

A handwritten signature in blue ink that reads 'Larry E. May Jr.'.

Larry E. May Jr, AIA, LEED AP

Executive Vice President



Attachment C
- NHMMC Hospital License

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

*Effective January 01, 2019, this license is issued to
Presbyterian Medical Care Corp.*

*to operate a hospital known as
Novant Health Matthews Medical Center
located in Matthews, North Carolina, Mecklenburg County.*

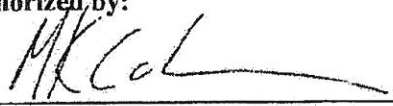
*This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall remain
in effect until amended by the issuing agency.*

*Facility ID: 945076
License Number: H0270*

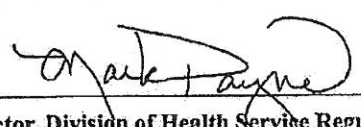
*Bed Capacity: 157
General Acute 154, Hospice 3,*

*Dedicated Inpatient Surgical Operating Rooms: 2
Dedicated Ambulatory Surgical Operating Rooms: 0
Shared Surgical Operating Rooms: 6
Dedicated Endoscopy Rooms: 3*

Authorized by:



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



Director, Division of Health Service Regulation


ATTACHMENT B

Projected Capital Cost Form
NH Matthews Expansion Project

Building Purchase Price	\$	-
Purchase Price of Land	\$	-
Closing Costs	\$	-
Site Preparation	\$	-
Construction/Renovation Contract(s)	\$	116,593,206
Landscaping	\$	-
Architect / Engineering Fees	\$	7,211,712
Medical Equipment	\$	19,252,825
Non-Medical Equipment	\$	-
Furniture	\$	3,012,162
Consultant Fees	\$	-
DHSR Fees	\$	84,359
Interest during Construction	\$	-
Other (Contingency)	\$	2,304,900
Total Capital Cost	\$	148,459,164

CERTIFICATION BY A LICENSED ARCHITECT OR ENGINEER

I certify that, to the best of my knowledge, the projected construction cost for the proposed project is complete and correct.

DocuSigned by:

978E05823E884C2

10/20/2021 | 4:49:48 EDT

Date Signed: _____

 Signature of Licensed Architect or Engineer
 NC Architect 12218

 License #

CERTIFICATION BY AN OFFICER OR AGENT FOR THE PROPONENT

I certify that, to the best of my knowledge, the projected total capital cost for the proposed project is complete and correct and that is our intent to carry out the proposed project as described.

DocuSigned by:

9BCFAC883516459...

Date Signed: 10/20/2021 | 3:27:38 EDT

 Signature of Officer/Agent

 Senior Vice President, Facilities & Construction, Novant Health

 Title of Officer/Agent

ATTACHMENT C

NHMatthewsMedicalCenter
Existing Campus



4-story Medical
Office Building

5-story
Patient Tower

Cath Lab

Central
Energy
Plant

Surgical
Suite

Radiology
Suite

Emergency
Department

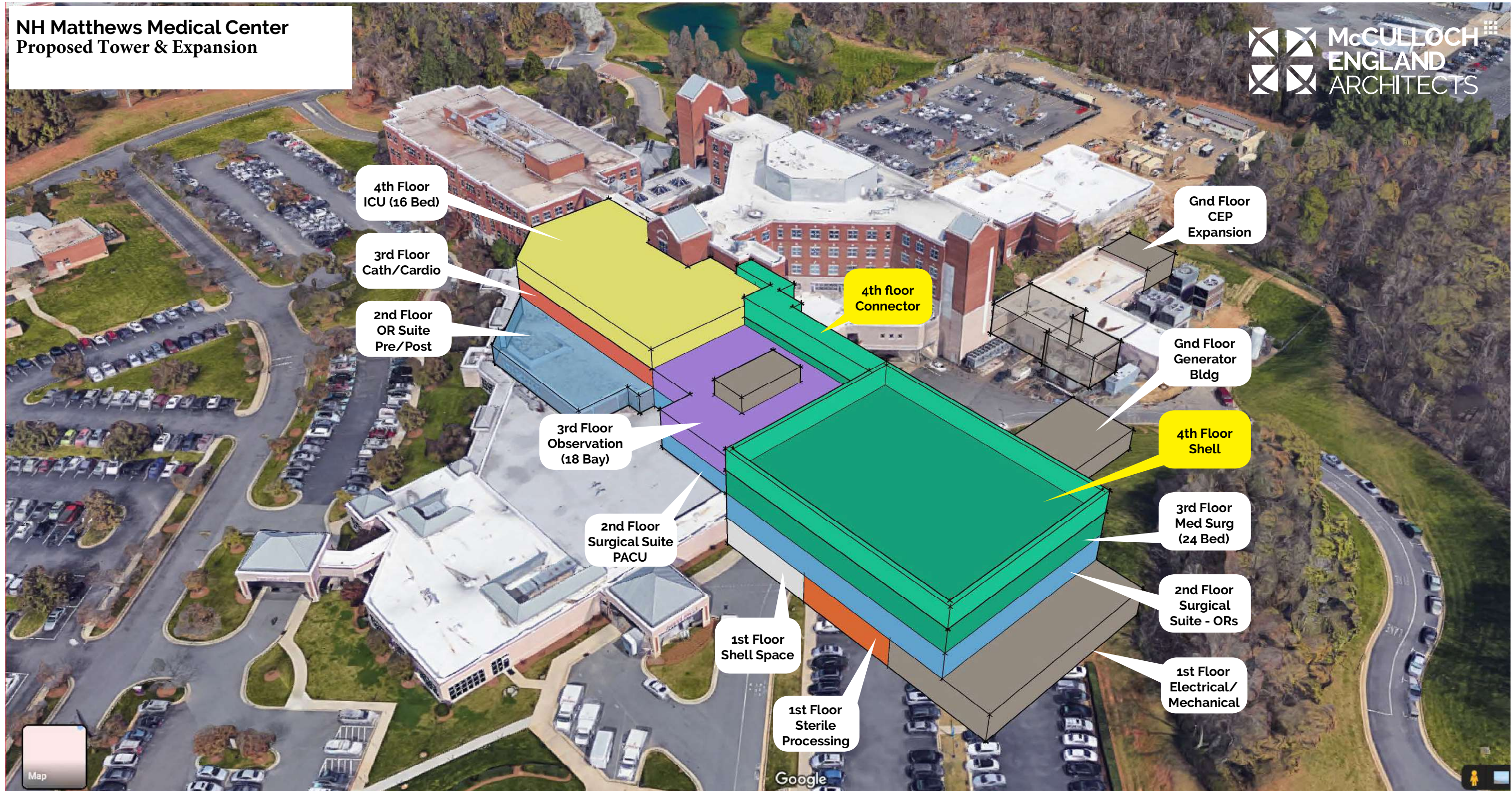


Google



ATTACHMENT D

**NH Matthews Medical Center
Proposed Tower & Expansion**



From: [Griffin, Lisa L](#)
To: [Mitchell, Micheala L](#)
Cc: [Waller, Martha K](#); [Gymer, Andrea M](#); [Cremeens, Cameron L](#)
Subject: [External] Exemption Notice for NH Matthews Medical Center
Date: Thursday, October 21, 2021 1:29:17 PM
Attachments: [FINAL MMC Tower Expand Exemption 10.21.21.pdf](#)

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Ms. Mitchell,

Attached is an exemption letter related to construction of a patient tower and expansion at Novant Health Matthews Medical Center located in Matthews, North Carolina. Please let me or Andrea Gymer know if you have questions or need additional information.

Thank you,

Lisa Griffin

Manager, Strategic Planning
Novant Health | Internal Consulting Group
(704) 351 – 1132

We are here to help you get the care you need. Visit [Novant Health](#) or [Novant Health UVA](#) for up-to-date information.

Estamos aquí para ayudarle con el cuidado que usted necesita. Visite [Novant Health](#) o [Novant Health UVA](#) para información actualizada.

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