



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 21, 2021

Elizabeth V. Kirkman
Elizabeth.Kirkman@atriumhealth.org

Exempt from Review

Record #: 3678
Date of Request: September 14, 2021
Facility Name: Atrium Health University City
FID #: 923516
Business Name: The Charlotte-Mecklenburg Hospital Authority
Business #: 1770
Project Description: Renovate and reconfigure existing space on the fourth floor of the hospital
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

Micheala Mitchell
Chief

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification 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

September 14, 2021

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

RE: Exemption Request to Renovate Space at The Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health University City (“AH University City”)

Dear Ms. Mitchell:

I am writing to inform you of The Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health University City’s (“AH University City”) plan to renovate and reconfigure space on the 4th floor 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.”*

AH University City’s project to renovate and reconfigure space on the 4th floor meets each of the applicable conditions set forth above. The estimated total capital cost of the project exceeds \$2,000,000. The proposed project involves the renovation of an existing health service facility located at 8800 North Tryon Street, Charlotte, NC 28262, which is the site from which AH University City provides clinical patient services and exercises financial and administrative control over the entire facility (see Attachment A). AH University City’s Facility Executive’s office is

located on the first floor of the main hospital building. Please see a copy of AH University City's license in Attachment B.

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.

Renovation and Reconfiguration

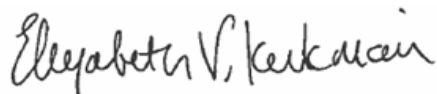
The proposed project involves renovation and reconfiguration of space on the 4th floor of AH University City's main hospital building. The involved area is a portion of the 4th floor formerly occupied by Carolinas ContinueCare Hospital at University, a Long Term Acute Care (LTAC) unit that was owned and managed by a separate legal entity, ContinueCare, and not licensed as part of Atrium Health University City. In January 2020, Carolinas ContinueCare at University de-licensed a portion of its LTAC beds and vacated the space they previously occupied on the 4th floor. As part of this project, the vacated space will be renovated and reconfigured to house 11 observation rooms and associated support space. The portion of the 4th floor that is involved in the proposed project does not currently have any licensed acute care beds, and the number of licensed acute care beds will not change as a result of the proposed project.

Each of the 11 observation rooms, as well as the surrounding support spaces, will be upfitted to modern standards with new flooring, millwork and other finishes. Additionally, as part of this project, the existing electrical, HVAC and medical gas infrastructure that serves the involved area will be replaced and upgraded in order to meet current code requirements.

Summary

Based on the above facts, this project is exempt from Certificate of Need review. We are requesting that you confirm in writing that AH University City's project to renovate space on the 4th floor of the main hospital building is exempt from Certificate of Need review and that we may proceed as planned with this project.

Sincerely,



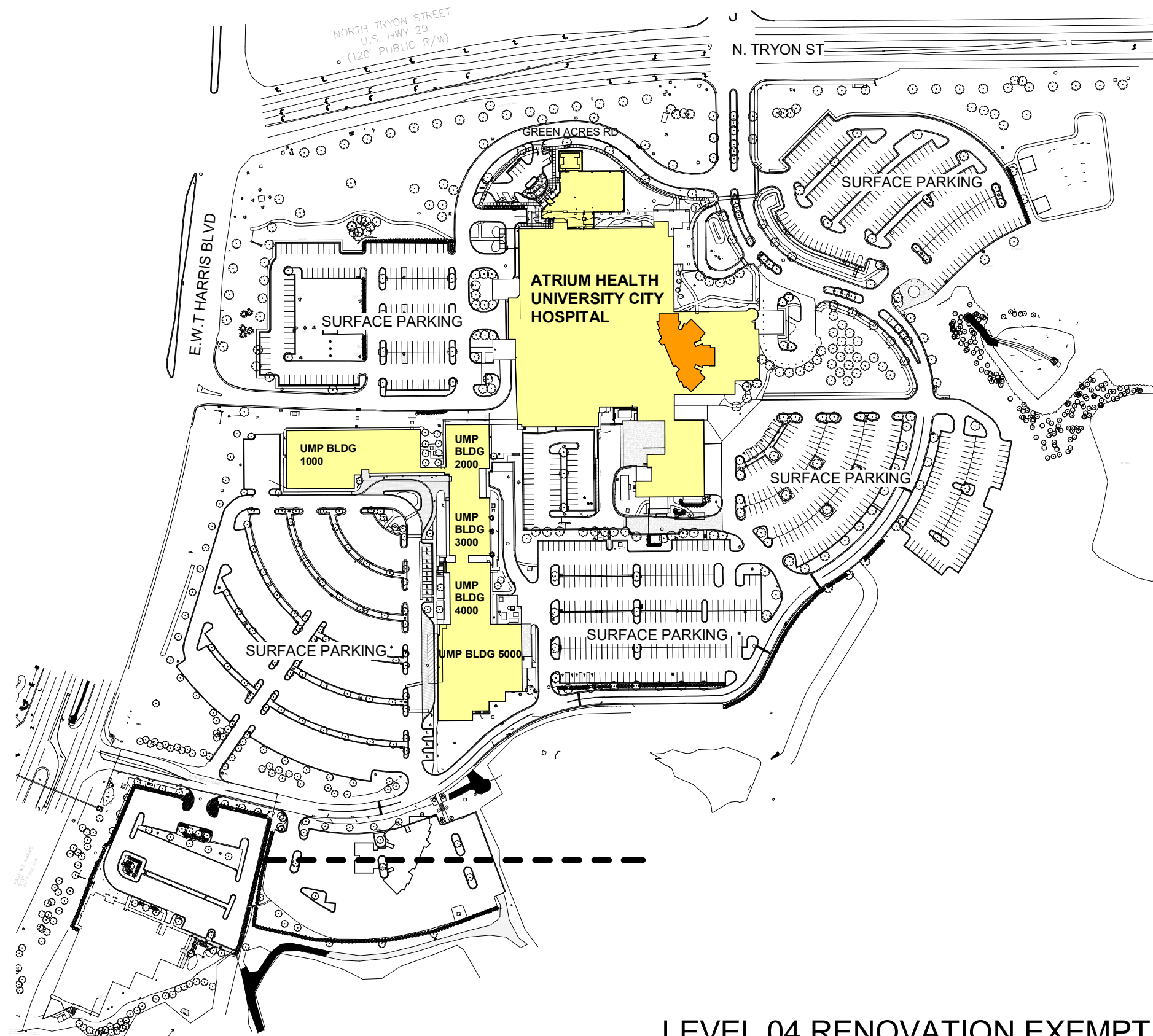
Elizabeth Kirkman
Assistant Vice President
Atrium Health Strategic Services Group

cc: Bill Leonard, Vice President & Facility Executive, AH University City

Attachment A

COLOR KEY

- EXISTING BUILDING
- RENOVATION



SITE PLAN

Atrium Health

08/24/2021

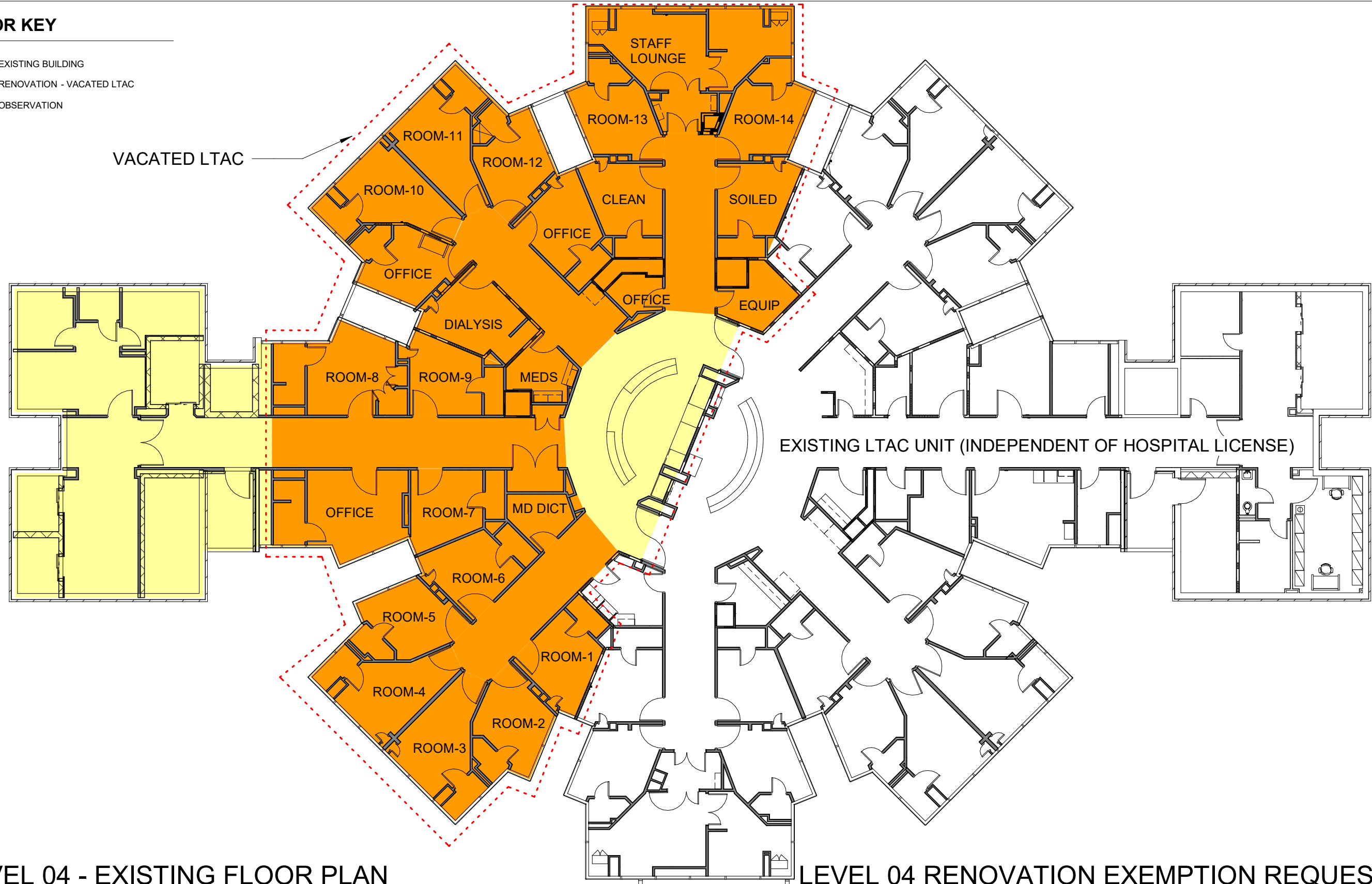
LEVEL 04 RENOVATION EXEMPTION REQUEST

Atrium Health University City



COLOR KEY

- EXISTING BUILDING
- RENOVATION - VACATED LTAC
- OBSERVATION



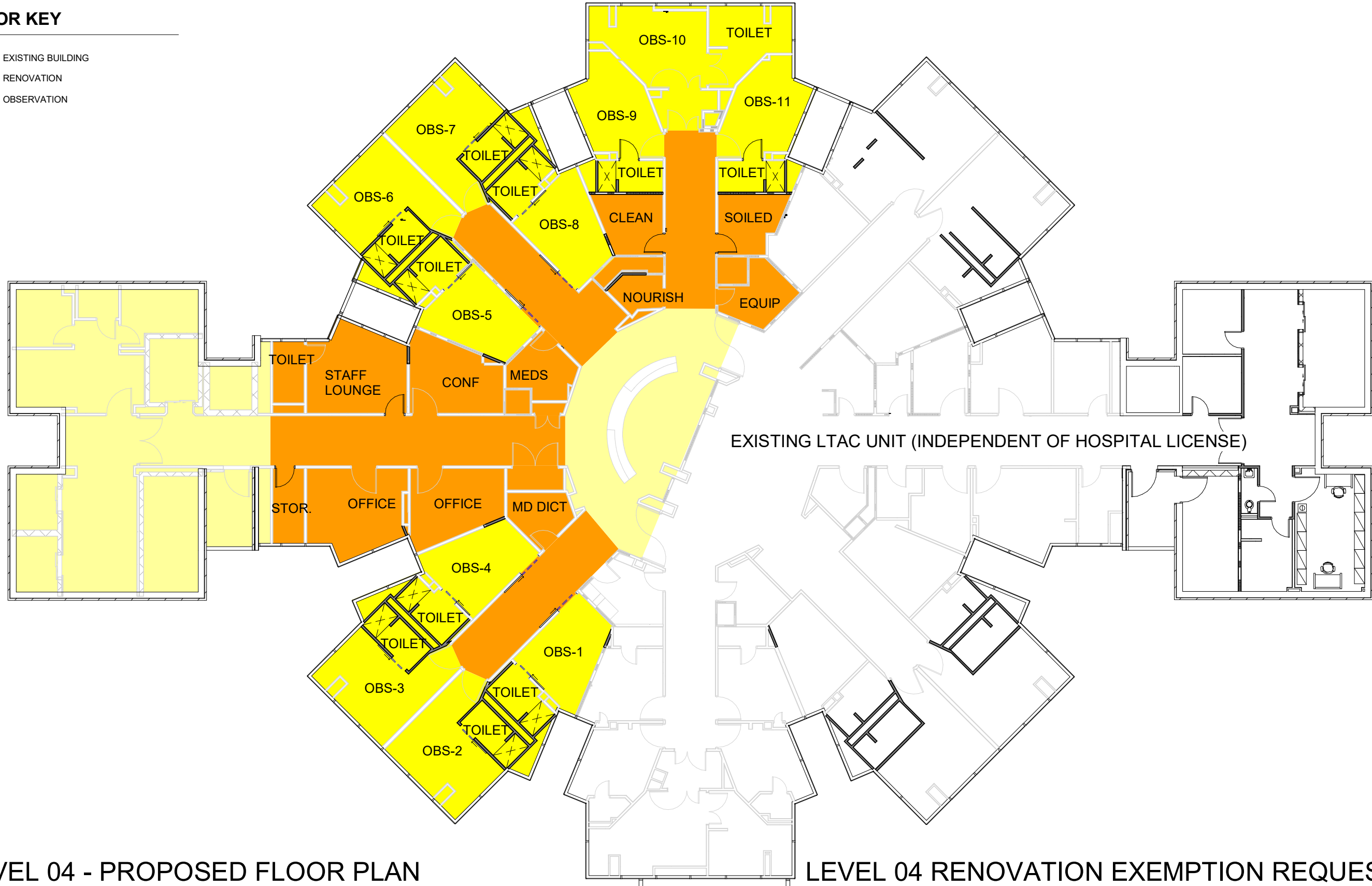
LEVEL 04 - EXISTING FLOOR PLAN

LEVEL 04 RENOVATION EXEMPTION REQUEST



COLOR KEY

- EXISTING BUILDING
- RENOVATION
- OBSERVATION



LEVEL 04 - PROPOSED FLOOR PLAN

LEVEL 04 RENOVATION EXEMPTION REQUEST



Attachment B

State of North Carolina

Department of Health and Human Services Division of Health Service Regulation

*Effective June 29, 2021, this license is issued to
The Charlotte-Mecklenburg Hospital Authority*

*to operate a hospital known as
Atrium Health University City
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: 923516

License Number: H0255

Bed Capacity: 104

General Acute 104

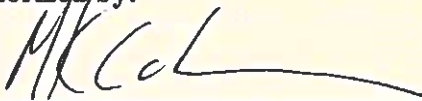
Dedicated Inpatient Surgical Operating Rooms: 1

Dedicated Ambulatory Surgical Operating Rooms: 1

Shared Surgical Operating Rooms: 7

Dedicated Endoscopy Rooms: 1

Authorized by:



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



Director, Division of Health Service Regulation

From: [Huber, Brigid K](#)
To: [Waller, Martha K](#)
Cc: [Kirkman, Elizabeth](#); [Faenza, Julie M](#)
Subject: [External] Exemption Request for The Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health University City
Date: Tuesday, September 14, 2021 6:16:50 PM
Attachments: [2021 CMHA dba AH University City Exemption Request for 4th Floor Renovation.pdf](#)

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

Good evening,

I hope this email finds you well. Please find attached an exemption request submitted by The Charlotte-Mecklenburg Hospital Authority ("CMHA") d/b/a Atrium Health University City ("AH University City") to renovate space on the 4th floor of the main hospital building.

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

Best,

Brigid

Brigid Knoll Huber, MHA, ATC

Strategic Services Group
Mobile: 724-986-6214

Atrium Health

Carolinas HealthCare System is Atrium Health

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

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