



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

April 21, 2022

Jeffrey Shovelin  
[jshoveli@vidanthealth.com](mailto:jshoveli@vidanthealth.com)

**Exempt from Review**

**Record #:** 3881  
**Date of Request:** March 28, 2022  
**Facility Name:** The Outer Banks Hospital, Inc.  
**FID #:** 980550  
**Business Name:** The Outer Banks Hospital, Inc.  
**Business #:** 1822  
**Project Description:** Co-locate existing hospital cancer services by constructing addition to radiation therapy center on main campus  
**County:** Dare

Dear Mr. Shovelin:

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,

Gregory F. Yakaboski  
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



March 25, 2022

Mr. Greg Yakaboski  
Certificate of Need Section  
Division of Health Service Regulation  
NC Department of Health and Human Services  
2704 Mail Service Center  
Raleigh, NC 27699-2704

RE: Request for Exemption Pursuant to G.S. 131E-184(g) / The Outer Banks Hospital, Incorporated / Existing Hospital-based Cancer Services Co-locating In Newly-Constructed Cancer Center on Hospital Campus / Dare / FID #: 980550

Dear Mr. Yakaboski:

The Outer Banks Hospital, Incorporated (TOBH) plans to co-locate existing, hospital-based cancer services in a newly constructed center. The 10,801 square foot building is a new addition to the recently developed radiation therapy center across the street from the main hospital (CON Project ID #: R-11358-17). Currently, appointments and chemotherapy are provided at TOBH's medical office building at the rear of the main hospital building. However, radiation therapy is provided at the center, referenced above, across the street from the hospital. It was determined that the best provision of cancer care could only be achieved through the co-location of all hospital-based services. The newly constructed space will provide 10 infusion bays and 4 exam rooms relocated attached to the existing radiation therapy center.

Currently, patients who might need multiple treatment modalities need to visit 2 locations. There is no shared parking between the 2 existing locations, and there is a major thoroughfare between them. It's also understood that the 2 separate locations could be confusing to patients. The 2019 Dare County Community Health Needs Assessment demonstrated that cancer is the leading cause of death in Dare County, and TOBH has been committed to addressing this significant health concern for local residents. Co-locating all existing cancer services into a single, state-of-the-art facility is the next step in that effort.

The total capital cost of the proposed project is estimated at \$12,268,828, with \$1,720,000 in land acquisition costs, \$9,673,828 in design and construction costs, \$300,000 for non-medical minor equipment and furniture, and \$575,000 in IS, security, biomed and signage costs. Reference the attached capital cost estimate. The project is expected to be completed by October 2023. Even though the project exceeds \$2,000,000, TOBH believes that the proposed project is not subject to review under North Carolina's Certificate of Need (CON) laws. TOBH's proposed project meets the requirements found in G.S. 131E-184(g). This statute states:

- (g) The 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.

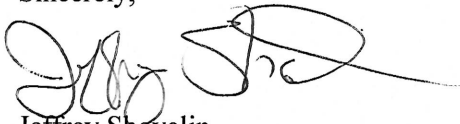
- (2) The capital expenditure does not result in (i) a change in bed capacity as defined in G.S. 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16)b.
- (3) The licensed health service facility proposing 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.

Specifically:

- a) TOBH is an existing health service facility. Reference a copy of the hospital's current license attached to this letter.
- b) The sole purpose of the capital expenditure is to construct space that is located on the main campus. Reference the attached floor and site plans. The site plan shows that the new construction is 189.3 yards from the main building, satisfying G.S. 131E-176(14n)b. Also reference the attached letter from Ronnie Sloan, President of TOBH, certifying financial and administrative control of the entire licensed health service facility is exercised at the site of the proposed construction. This document satisfies G.S. 131E-176(14n)a.
- c) The project does not result in a change (increase or decrease) in bed capacity, nor does the project result in the addition of any other new institutional health service facilities or services. TOBH currently provides these cancer services as part of its normal compliment and will continue to do so following completion of the proposed project.
- d) By this letter, TOBH is providing prior written notice to the Department, along with supporting documentation, to demonstrate that it meets the exemption criteria of this subsection.

TOBH believes its proposal meets the requirements identified above, and is therefore exempt from review. Therefore, TOBH requests approval of a no review status for the proposed project. If you require additional information or clarification, please contact me at (252) 847-3631.

Sincerely,



Jeffrey Shovelin  
VP of Business Planning and Strategy, Vidant Health  
PO Box 6028, Greenville, NC 27835-6028  
252-847-3631  
jshoveli@vidanthealth.com

<b>Capital Cost Sheet</b>					
<b>TOBH Cancer Center</b>					
<b>Category</b>	<b>Total Cost</b>				
Building Purchase Price	\$ -				
Purchase Price of Land	\$ 1,720,000				
Closing Costs	\$ -				
Site Preparation	\$ 52,500				
Construction/Renovation Contract(s)	\$ 8,607,116				
Testing	\$ 101,655				
Landscaping	\$ 204,000				
Signage	\$ 150,000				
Architect / Engineering Fees	\$ 708,557				
Medical Equipment					
<i>CT Scanner - Base (w/o \$2,000 trade in)</i>					
<i>Additional Options</i>					
Non Medical Equipment	\$ 100,000				
Furniture	\$ 200,000				
IT Cost	\$ 300,000				
Bio-Med (Nurse Call)	\$ 75,000				
Security Cameras, Card Readers	\$ 50,000				
Consultant Fees (specify)					
Financing Costs	\$ -				
Interest during Construction	\$ -				
Other (DHSR Review Fee)					
Other (Rent - Mobile CT Unit During Install)					
<b>Total Capital Cost</b>	<b>\$ 12,268,828</b>				

# State of North Carolina

## Department of Health and Human Services Division of Health Service Regulation

*Effective January 01, 2022, this license is issued to*

***The Outer Banks Hospital, Inc.***

*to operate a hospital known as*

***The Outer Banks Hospital, Inc.***

*located in Nags Head, North Carolina, Dare 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: 980550**

**License Number: H0273**

***Bed Capacity: 21***

*General Acute 21*

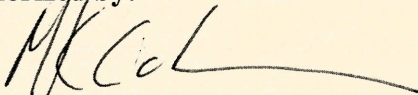
**Dedicated Inpatient Surgical Operating Rooms: 1**

**Dedicated Ambulatory Surgical Operating Rooms: 0**

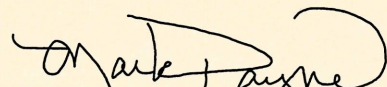
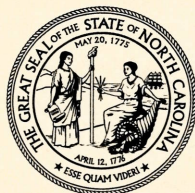
**Shared Surgical Operating Rooms: 3**

**Dedicated Endoscopy Rooms: 2**

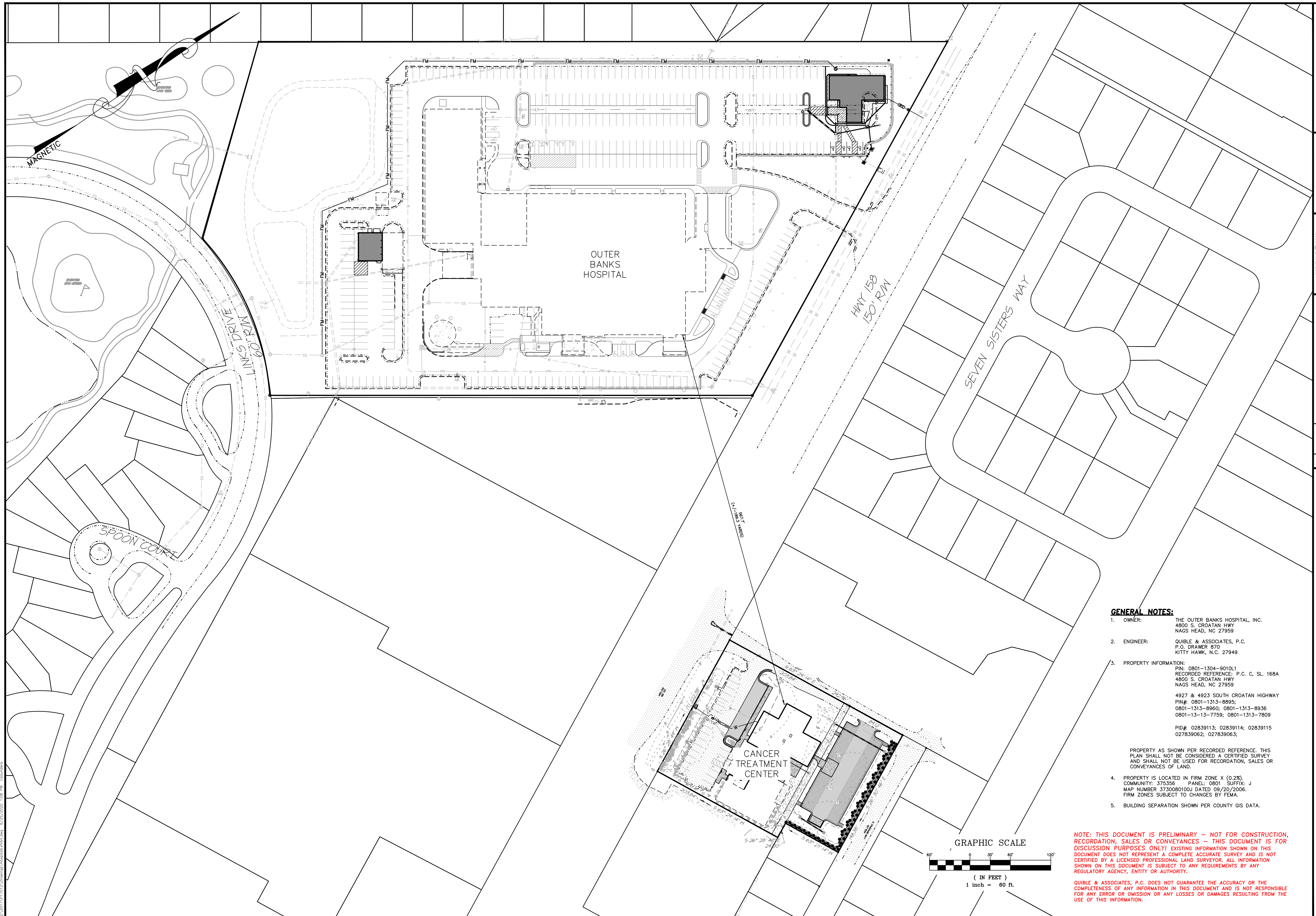
**Authorized by:**



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

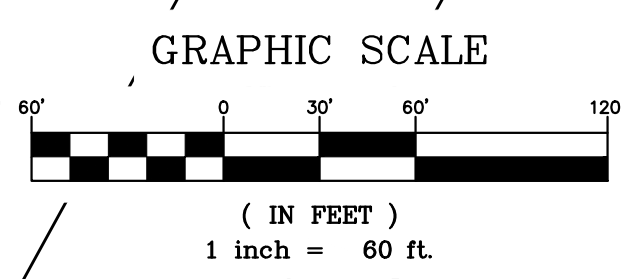


**Director, Division of Health Service Regulation**



**GENERAL NOTES:**

- OWNER: THE OUTER BANKS HOSPITAL, INC.  
4800 S. CROATAN HWY  
NAGS HEAD, NC 27959
- ENGINEER: QUIBLE & ASSOCIATES, P.C.  
P.O. DRAWER 870  
KITTY HAWK, N.C. 27949
- PROPERTY INFORMATION:  
PIN: 0801-1304-9010L1  
RECORDED REFERENCE: P.C. C, SL. 168A  
4800 S. CROATAN HWY  
NAGS HEAD, NC 27959  
  
4927 & 4923 SOUTH CROATAN HIGHWAY  
PIN#: 0801-1313-8895;  
0801-1313-8960; 0801-1313-8936  
0801-13-13-7759; 0801-1313-7809  
  
PID#: 02839113; 02839114; 02839115  
027839062; 027839063;  
  
PROPERTY AS SHOWN PER RECORDED REFERENCE. THIS PLAN SHALL NOT BE CONSIDERED A CERTIFIED SURVEY AND SHALL NOT BE USED FOR RECORDATION, SALES OR CONVEYANCES OF LAND.
- PROPERTY IS LOCATED IN FIRM ZONE X (0.2%).  
COMMUNITY: 375356 PANEL: 0801 SUFFIX: J  
MAP NUMBER 3730080100J DATED 09/20/2006.  
FIRM ZONES SUBJECT TO CHANGES BY FEMA.
- BUILDING SEPARATION SHOWN PER COUNTY GIS DATA.



**NOTE: THIS DOCUMENT IS PRELIMINARY - NOT FOR CONSTRUCTION, RECORDATION, SALES OR CONVEYANCES - THIS DOCUMENT IS FOR DISCUSSION PURPOSES ONLY! EXISTING INFORMATION SHOWN ON THIS DOCUMENT DOES NOT REPRESENT A COMPLETE ACCURATE SURVEY AND IS NOT CERTIFIED BY A LICENSED PROFESSIONAL LAND SURVEYOR. ALL INFORMATION SHOWN ON THIS DOCUMENT IS SUBJECT TO ANY REQUIREMENTS BY ANY REGULATORY AGENCY, ENTITY OR AUTHORITY.**

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NC License# C-0208  
SINCE 1959  
**Quible & Associates, P.C.**  
ENGINEERING • CONSULTING • PLANNING  
ENVIRONMENTAL SCIENCES • SURVEYING\*\*  
8486 CAROLINE HWY #266  
NAGS HEAD, NC 27959  
Phone: (252) 991-8142 Fax: (252) 991-8147  
www.quible.com quible@quible.com

CERTIFICATION  
I, \_\_\_\_\_, a duly Licensed Professional Engineer, do hereby certify that this document is a true and correct copy of the original as shown to me by the engineer or other person responsible for the preparation of this document.  
DATE: \_\_\_\_\_

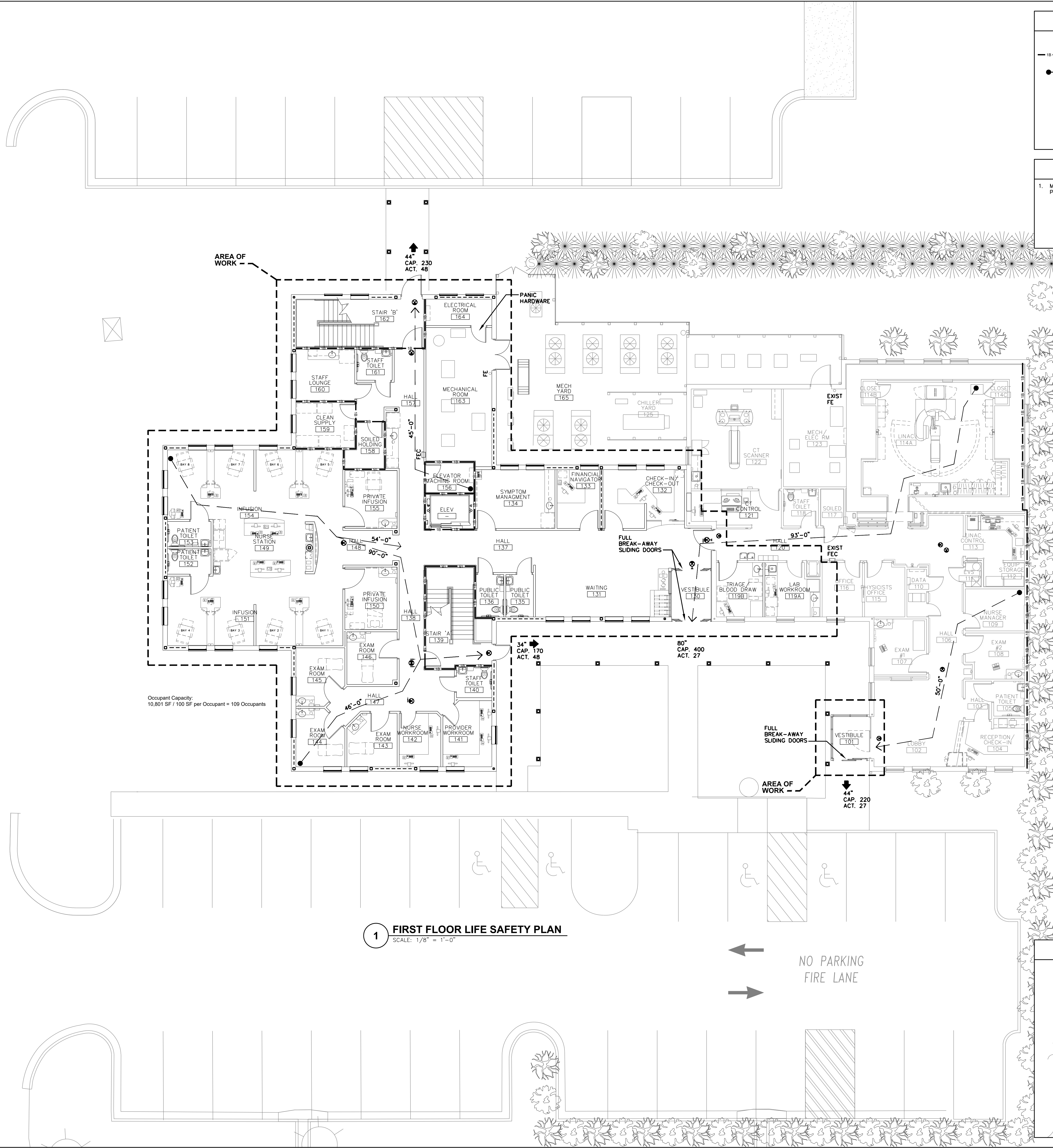
NO.	DATE	REVISIONS

**EXHIBIT**  
**CANCER TREATMENT CENTER**  
**OUTER BANKS HOSPITAL**  
NORTH CAROLINA  
DARE COUNTY  
NAGS HEAD TOWNSHIP

PROJECT NO. **P17012.1**  
DESIGNED BY **CMS**  
DRAWN BY **CMS**  
CHECKED BY **CMS**  
ISSUE DATE **06/25/20**  
SHEET NO. **1**  
OF 1 SHEETS

C:\Users\p17012\OneDrive\Documents\p17012.dwg 6/25/2020 1:08 PM C:\Users\p17012

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**Legend**

**HOURLY RATING**

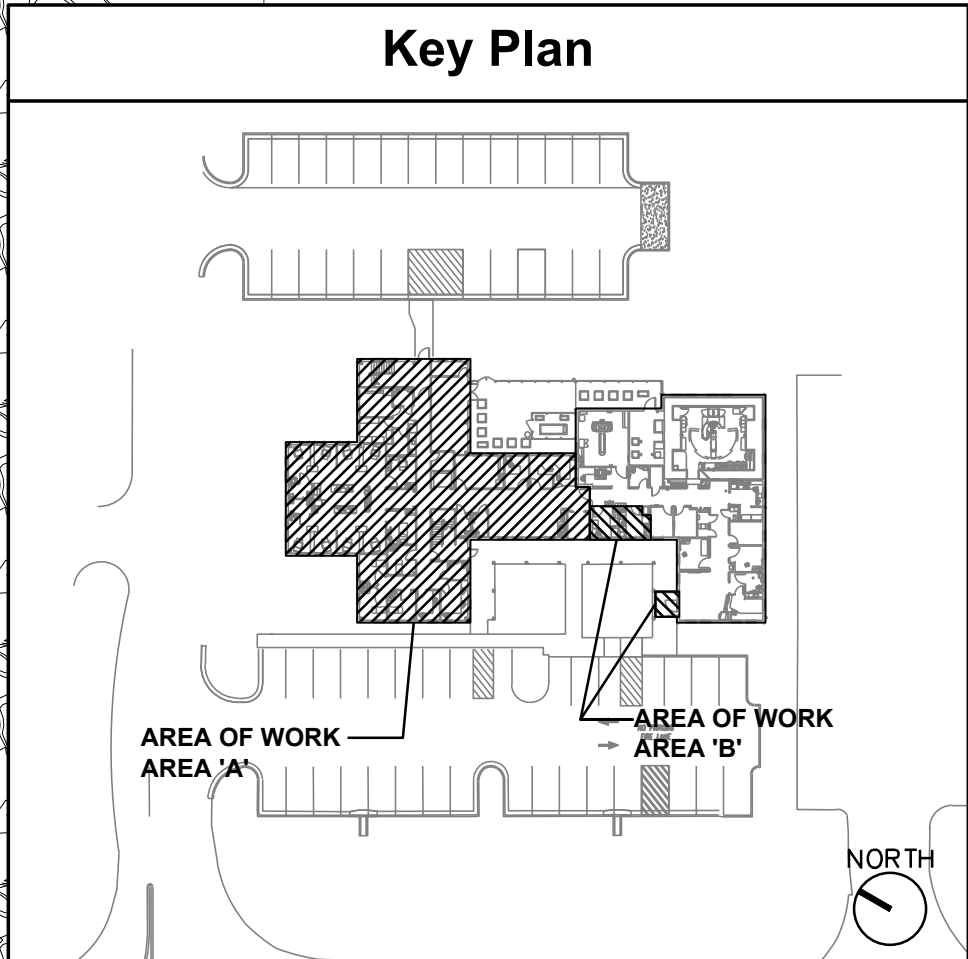
- 1B — 1B — 1-HOUR RATED FIRE BARRIER  
SEAL ALL PENETRATIONS
- X'-X' — PATH OF EXIT TRAVEL AND TRAVEL DISTANCE
- ◀ 60° — CLEAR EXIT WIDTH
- FEC FIRE EXTINGUISHER CABINET
- FE FIRE EXTINGUISHER
- ⊗ EXIT LIGHT

**General Notes**

1. MAINTAIN TEMPORARY EXITING DURING CONSTRUCTION.  
PROVIDE TEMPORARY PARTITIONS AS REQUIRED.

Occupant Capacity:  
10,801 SF / 100 SF per Occupant = 109 Occupants

**1 FIRST FLOOR LIFE SAFETY PLAN**  
SCALE: 1/8" = 1'-0"



**THE EAST GROUP**

- Engineering ■ Architecture
- Surveying ■ Technology

Corporate Office  
324 Evans Street  
Greenville, NC 27858  
Tel 252.758.3746 Fax 252.830.3954  
www.eastgroup.com

Branch Office  
4325 Lake Boone Trail, Suite 311  
Raleigh, NC 27607  
Tel 919.784.9330 Fax 252.830.3954

- NC Engineering License No. C-0206
- NC Architectural License No. 50213
- NC Landscape Architectural License No. C-427

**VIDANT HEALTH™**

**THE OUTER BANKS HOSPITAL**  
4800 South Croatan Highway  
Nags Head, NC 27959  
252-489-9111

**THE EAST GROUP P.A.**  
REGISTERED PROFESSIONAL ARCHITECT  
50213  
SOUTH CAROLINA  
GREENVILLE, NC

**CHRISTOPHER DALE LEONARD**  
REGISTERED PROFESSIONAL ARCHITECT  
25-26-27  
SOUTH CAROLINA  
RALEIGH, N.C.

REV	DATE	DESCRIPTION	BY	CHK	CDL
0	1-28-2022	ISSUED FOR CONSTRUCTION	CAH		

REG PROJECT NO. **20190179**

CLIENT PROJECT NO. **4490**

PROJECT TITLE  
**OBH CANCER CENTER**

DRAWING TITLE  
**FIRST FLOOR LIFE SAFETY PLAN**

DRAWING NO.  
**G2.1**



March 25, 2022

Mr. Greg Yakaboski  
Certificate of Need Section  
Division of Health Service Regulation  
NC Department of Health and Human Services  
2704 Mail Service Center  
Raleigh, NC 27699-2704

RE: Request for Exemption Pursuant to G.S. 131E-184(g) / The Outer Banks Hospital, Incorporated / Existing Hospital-based Cancer Services Co-locating In Newly-Constructed Cancer Center on Hospital Campus / Dare / FID #: 980550

Dear Mr. Yakaboski:

Please accept this letter as documentation that I, Ronnie Sloan, President of The Outer Banks Hospital, Incorporated (TOBH), do hereby certify, as it relates to the proposed project, that:

1. Financial control of the entire licensed health service facility is exercised at the site of the proposed renovations and/or construction, and
2. Administrative control of the entire licensed health service facility is exercised at the site of the proposed renovations and/or construction.

If you require additional information or clarification, please contact Jeff Shovelin, VP of Business Planning and Strategy for Vidant Health at (252) 847-3631. Thank you for your time and attention to this important project.

Sincerely,

Ronnie Sloan  
President  
The Outer Banks Hospital, Incorporated



**From:** [Lentz, Samuel](#)  
**To:** [Waller, Martha K](#)  
**Cc:** [Shovelin, Jeffrey](#)  
**Subject:** [External] TOBH Letter of No Review  
**Date:** Monday, March 28, 2022 11:47:29 AM  
**Attachments:** [Final Letter Filed.pdf](#)

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

Martha,

Please see the attached Letter of No Review related to the relocation of hospital-based cancer services into a newly-constructed space on The Outer Banks Hospital campus.

If you all have any questions, please let us know.

Thank you,  
Sam

**Sam Lentz, MHA**  
Senior Planner  
Corporate Planning



W.H. Smith Building 1  
702 W.H. Smith Blvd., P.O. Box 6028  
Greenville, NC 27835-6028  
(252) 847-0825: Office  
(252) 847-7540: Fax  
[www.vidanthealth.com](http://www.vidanthealth.com) | [Samuel.Lentz@vidanthealth.com](mailto:Samuel.Lentz@vidanthealth.com)

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