



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

August 22, 2023

Elizabeth Runyon
Elizabeth.Runyon@unchealth.unc.edu

Exempt from Review

Record #: 4247
Date of Request: July 19, 2023
Facility Name: Caldwell Memorial Hospital
FID #: 933051
Business Name: Caldwell Memorial Hospital, Inc.
Business #: 328
Project Description: Renovate and expand the main campus by constructing a new building addition and renovating the main campus hospital building, which includes expanding the cardiac catheterization lab suite and replacing the one existing unit of catheterization equipment
County: Caldwell

Dear Ms. Runyon:

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(f) and 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,

[Handwritten signature of Ena Lightbourne]

Ena Lightbourne, Project Analyst

[Handwritten signature of Micheala Mitchell]

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



July 19, 2023

VIA ELECTRONIC MAIL

Ms. Micheala Mitchell, Chief
Ms. Ena Lightbourne, Project Analyst
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation, DHHS
2704 Mail Services Center
Raleigh, NC 27699-2704
micheala.mitchell@dhhs.nc.gov
ena.lightbourne@dhhs.nc.gov

Re: Caldwell Memorial Hospital's Exemption Notice Regarding Campus Improvements

Dear Ms. Mitchell and Ms. Lightbourne,

Pursuant to N.C. Gen. Stat. § 131E-184(f) and (g), Caldwell Memorial Hospital ("CMH") gives this prior written notice of an exempt project planned for the CMH main campus located at 321 Mulberry Street, SW, Lenoir, NC 28645 ("Main Campus Hospital Building"). This exempt project entails: 1) construction of an 18,200 square foot new building addition that will be connected to the current Main Campus Hospital Building, 2) renovation of 9,463 square feet of the Main Campus Hospital Building, and 3) replacement of an existing cardiac catheterization unit (collectively, the "Exempt Project"). The new building addition will have the same address as CMH.

Renovation and Construction

The Exempt Project includes construction of an 18,200 square foot new building addition that will be connected to the current Main Campus Hospital Building, as well renovation of 9,463 square feet of the Main Campus Hospital Building. The proposed 18,200 square foot, two-story new building addition will include a 7,185 square foot expansion of the existing kitchen and dining area on the first floor. The second floor will house a new 11,015 square foot cardiac catheterization lab suite, which will be re-located from its current location in the existing hospital building. The new, expanded cardiac catheterization lab suite will include the relocation and replacement of one existing unit of CON-approved cardiac catheterization equipment. The proposed 9,463 square foot renovation will occur on the fourth and fifth floors of the existing hospital. The renovation includes improvements and expansion of the existing hospital pharmacy. See Exhibit 1.

Because the Exempt Project involves renovation and construction of physical space, as well as replacement equipment, this project is exempt based on both N.C. Gen. Stat. § 131E-184(f) and (g).

This construction and renovation portions of the Exempt Project fall within the “Main Campus Exemption Provisions” in N.C. Gen. Stat. § 131E-184(g). Main Campus Exemption Provisions provide as follows:

- (g) The Department shall exempt from certificate of need review any capital expenditure that exceeds the four million dollar (\$4,000,000) 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.

For the purposes of the foregoing Main Campus Exemption Provisions in N.C. Gen. Stat. § 131E-184(g), the term “main campus” is defined in N.C. Gen. Stat. § 131E-176(14n) for purposes of N.C. Gen. Stat. § 131E- 184(f) and (g) only as follows:

- 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.

In accordance with N.C. Gen. Stat. § 131E-184(g)(1), the sole purpose of the capital expenditure is to renovate, replace on the same site, or expand the existing health services currently offered at CMH. Here, the new clinical services building will be connected to the existing CMH building, as shown in Exhibit 1, which is where CMH provides clinical patient services and exercises financial and administrative control over the entire facility. In addition, all planned renovations included in this project will take place within the existing CMH building.

In accordance with N.C. Gen. Stat. § 131E-184(g)(2), the Exempt Project’s capital expenditures will “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 facility other than that allowed in N. C. Gen. Stat. § 131E-176(16)b.”

In accordance with N.C. Gen. Stat. § 131E-184(g)(3), this letter serves as prior written notice of the Exempt Project.

Replacement Cardiac Catheterization Equipment

In addition to building renovations described above, the second floor of the building addition will house a new 11,015 square foot cardiac catheterization lab suite, which will be re-located from its current location in the existing hospital building. The new, expanded cardiac catheterization lab suite will include the relocation and replacement of one unit of cardiac catheterization equipment.

The replacement unit of cardiac catheterization equipment portion of the Exempt Project complies with the “Replacement Equipment Provisions” in N.C. Gen. Stat. § 131E-184(f). Replacement Equipment Provisions provide as follows:

- (f) The Department shall exempt from certificate of need review the purchase of any replacement equipment that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(22a) if all of the following conditions are met:
 - (1) The equipment being replaced is located on the main campus.
 - (2) The Department has previously issued a certificate of need for the equipment being replaced. This subdivision does not apply if a certificate of need was not required at the time the equipment being replaced was initially purchased by the licensed health service facility.
 - (3) The licensed health service facility proposing to purchase the replacement equipment shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.

In accordance with N.C. Gen. Stat. § 131E-184(f)(1), the existing equipment is currently located in the existing hospital building on the main campus. The replacement equipment will be located in new building addition that will be connected to the current Main Campus Hospital Building, still located on the main campus. See Exhibit 1 for a map of the location of the existing and the proposed location for the replacement equipment.

In accordance with N.C. Gen. Stat. § 131E-184(f)(2), the Department has previously issued a Certificate of Need for the equipment being replaced. See Exhibit 2 for the CON issued for Project ID No. E-11446-18.

Conclusion

CMH requests the Agency provide written confirmation that CMH's project as described above is exempt from certificate of need review. Thank you for your review of this notice and please do not hesitate to contact me if you require any additional information.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth Runyon". The signature is written in a cursive, flowing style.

Elizabeth Frock Runyon
Vice President & Senior Counsel
System Operations and Regulatory Affairs
UNC Health



CP | Architecture Engineering Planning
 4302 Forbush Road Suite 102
 Charlotte, NC 28217
 CPclean.com
 NC REGISTRATION NUMBER: 001-0004

R CALDWELL
 UNC HEALTH CARE

PROJECT INFORMATION

Project Name
 140750

Client Name
 CALDWELL UNC HEALTH CARE

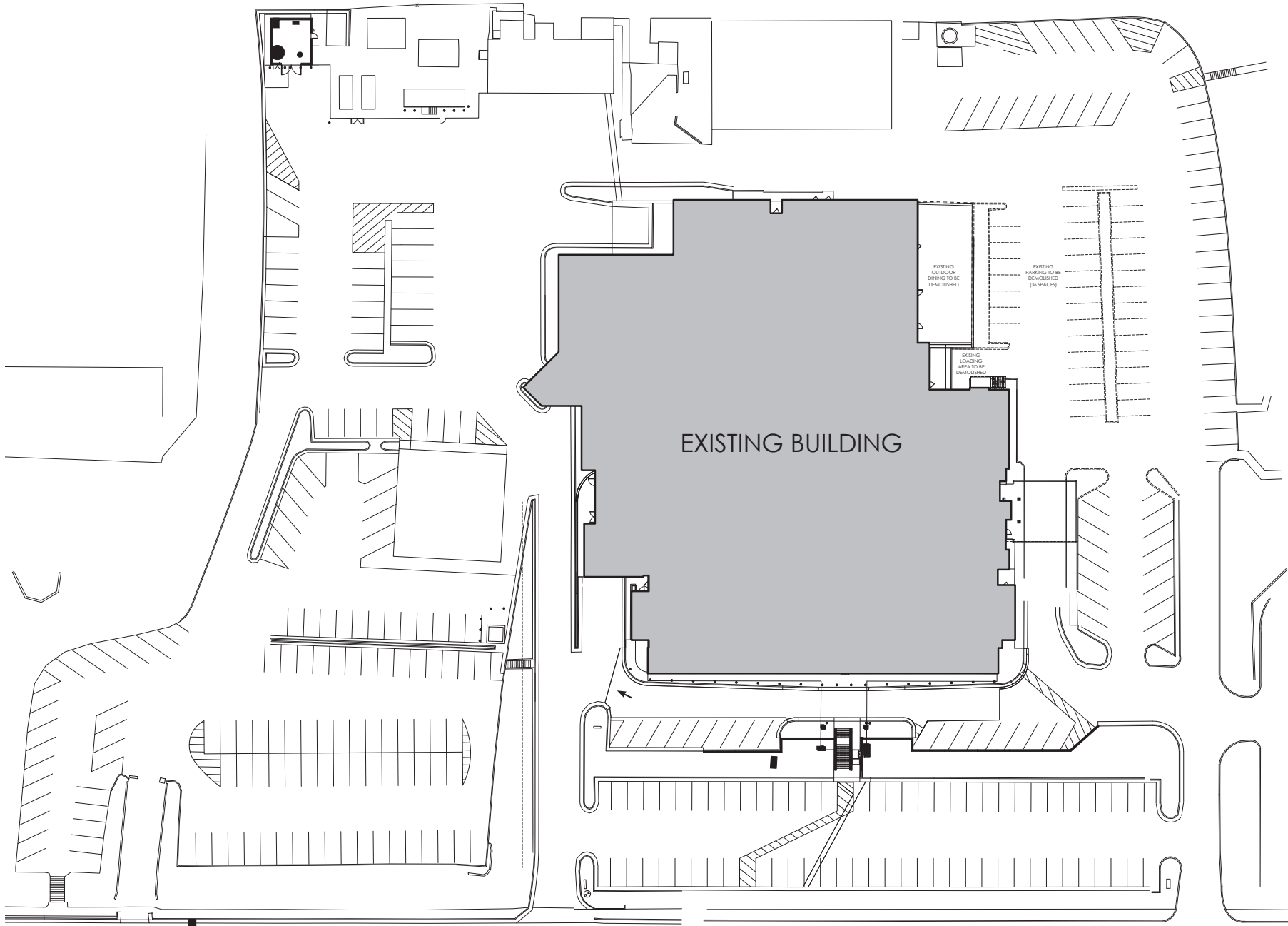
Project Name
 FACILITY MASTER PLAN II

Project Address
 327 MABLETT ST. SW
 LENOX, NORTH CAROLINA

Project Issue Schedule
 07/14/21

PROJECT ISSUE SCHEDULE

07/14/21



**FOR REVIEW ONLY
 NOT FOR PERMIT OR
 CONSTRUCTION**

SHEET INFORMATION

Sheet
 07/14/21

Scale
 1" = 20' 0"

Project Name
 140750

Client Name
 CALDWELL UNC HEALTH CARE

Project Name
 FACILITY MASTER PLAN II

Project Address
 327 MABLETT ST. SW
 LENOX, NORTH CAROLINA

Project Issue Schedule
 07/14/21

Project Name
 FACILITY MASTER PLAN II

Project Address
 327 MABLETT ST. SW
 LENOX, NORTH CAROLINA

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Project Issue Schedule
 07/14/21

Project Name
 FACILITY MASTER PLAN II

Project Address
 327 MABLETT ST. SW
 LENOX, NORTH CAROLINA

Project Issue Schedule
 07/14/21

1
 AS001
DEMOLITION SITE PLAN
 1" = 20' 0"

AS001



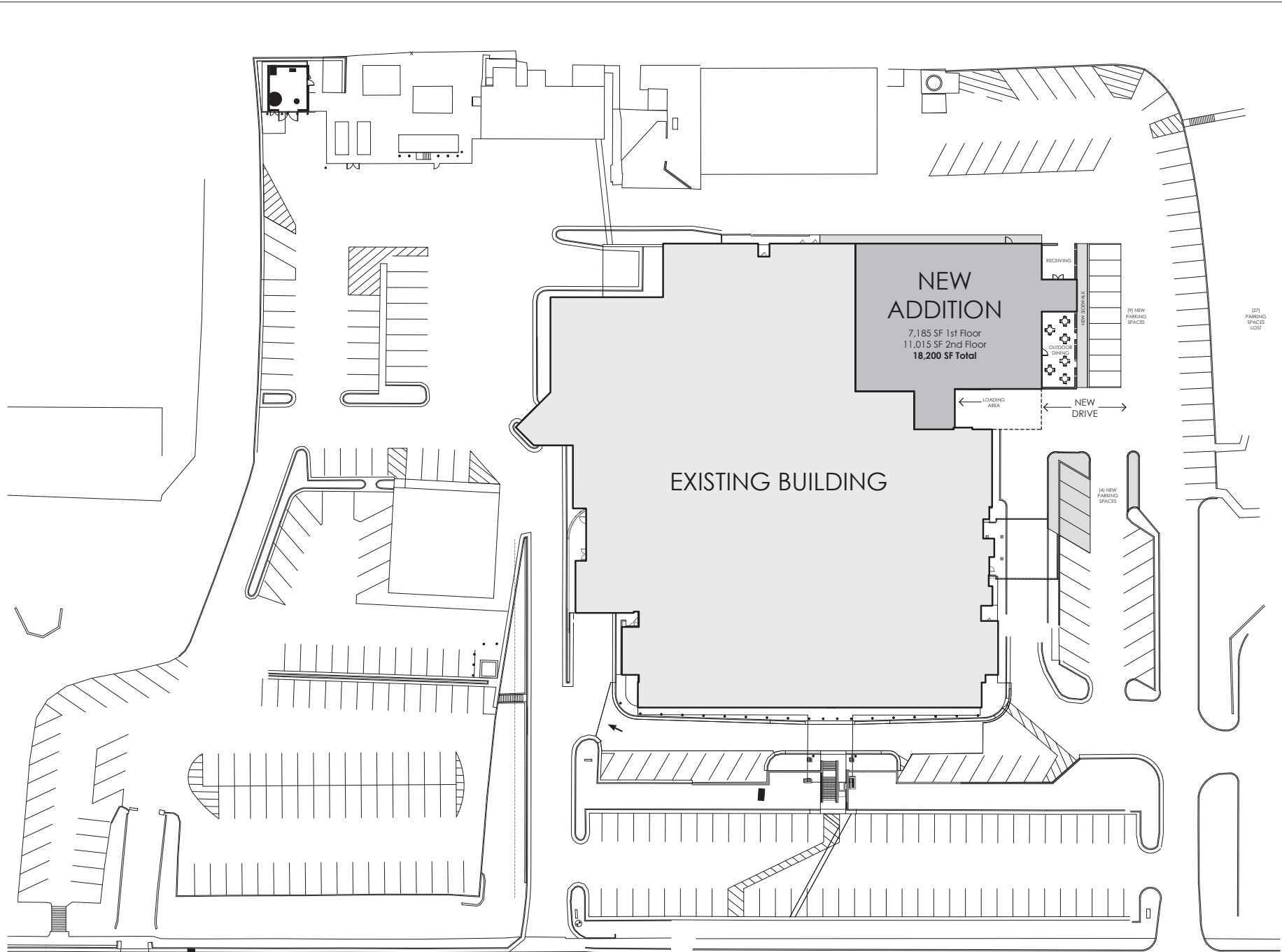
CPE | Architectural Engineering Planning
 4302 Forbush Road Suite 102
 Charlotte, NC 28217
 CPE.com
 NC REGISTRATION NO. 00100000000000000000

RSCALDWELL
 UNC HEALTH CARE

PROJECT INFORMATION
 Project Name: 1402100
 Client Name: CALDWELL UNC HEALTH CARE
 Project Title: FACILITY MASTER PLAN II

Project Address: 321 MABLETT ST. SW
 LENOX, NORTH CAROLINA

PROJECT ISSUE SCHEDULE



EXISTING BUILDING

NEW
 ADDITION
 7,185 SF 1st Floor
 11,015 SF 2nd Floor
 18,200 SF Total

70 NEW
 PARKING
 SPACES

46 NEW
 PARKING
 SPACES

(27)
 PARKING
 SPACES
 LOST

**FOR REVIEW ONLY
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 CONSTRUCTION**

SHEET INFORMATION
 Sheet: 07/14/21 Date: 11/1/2021
 Project Name: 1402100
 Client Name: UNC Health
 Designer: MC
 Checker: EW
 Project Title: NEW SITE PLAN

1
 AS002
 NEW SITE PLAN
 1" = 20'-0"

AS002

STATE OF NORTH CAROLINA

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

CERTIFICATE OF NEED

for

Project ID #: E-11446-18

FID #: 933051

ISSUED TO: Caldwell Memorial Hospital, Inc.

Pursuant to N.C. Gen. Stat. § 131E-177(6), the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project described below. The certificate holder shall develop the project in a manner consistent with the representations in the application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein, as documented by the periodic progress reports required by 10A NCAC 14C .0209. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that section.

**SCOPE: Acquire no more than one unit of shared fixed cardiac catheterization equipment/
Caldwell County**

CONDITIONS: See Reverse Side

**PHYSICAL LOCATION: Caldwell Memorial Hospital
321 Mulberry Street SW
Lenoir, NC 28645**

MAXIMUM CAPITAL EXPENDITURE: \$1,620,651

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: January 1, 2019

This certificate is effective as of the 22nd day of May, 2018


Martha J. Frisone, Chief

CONDITIONS:

1. **Caldwell Memorial Hospital, Inc. shall materially comply with all representations made in the certificate of need application and any supplemental responses. In the event that representations conflict, Caldwell Memorial Hospital, Inc. shall materially comply with the last made representation.**
2. **Caldwell Memorial Hospital, Inc. shall acquire no more than one unit of shared fixed cardiac catheterization equipment.**
3. **Upon completion of the project, Caldwell Memorial Hospital shall be licensed for no more than one unit of shared fixed cardiac catheterization equipment.**
4. **Caldwell Memorial Hospital, Inc. shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section F of the application and that would otherwise require a certificate of need.**
5. **No later than three months after the last day of each of the first three full years of operation following initiation of the services authorized by this certificate of need, Caldwell Memorial Hospital, Inc. shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:**
 - a. **Payor mix for the services authorized in this certificate of need.**
 - b. **Utilization of the services authorized in this certificate of need.**
 - c. **Revenues and operating costs for the services authorized in this certificate of need.**
 - d. **Average gross revenue per unit of service.**
 - e. **Average net revenue per unit of service.**
 - f. **Average operating cost per unit of service.**
6. **Caldwell Memorial Hospital, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Agency on May 8th, 2018.

TIMETABLE:

- | | | |
|----|-------------------------------|--------------------|
| 1. | Financing Obtained _____ | January 1, 2019 |
| 2. | Equipment Ordered _____ | January 1, 2019 |
| 3. | Equipment Installed _____ | June 1, 2019 |
| 4. | Equipment Operational _____ | June 15, 2019 |
| 5. | Services Offered _____ | July 1, 2019 |
| 6. | Final Annual Report Due _____ | September 30, 2022 |

From: [Mitchell, Micheala L](#)
To: [Stancil, Tiffany C](#)
Cc: [Lightbourne, Ena](#)
Subject: FW: [External] Exemption Notice Regarding Campus Improvements at Caldwell Memorial Hospital
Date: Wednesday, July 19, 2023 10:46:58 AM
Attachments: [2023.07.19 Caldwell Memorial Hospital Exemption Notice.pdf](#)

Tiffany,

Would you mind logging this exemption request and assigning to Ena?

Thank you,

Micheala Mitchell, JD
[NC Department of Health and Human Services](#)
[Division of Health Service Regulation](#)
Section Chief, Healthcare Planning and CON Section
809 Ruggles Drive, Edgerton Building
2704 Mail Service Center
Raleigh, NC 27699-2704
Office: 919 855 3879
Micheala.Mitchell@dhhs.nc.gov

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From: McVay, Marjorie <Marjorie.McVay@unhealth.unc.edu>
Sent: Wednesday, July 19, 2023 10:38 AM
To: Lightbourne, Ena <ena.lightbourne@dhhs.nc.gov>; Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
Cc: Runyon, Elizabeth <Elizabeth.Runyon@unhealth.unc.edu>
Subject: [External] Exemption Notice Regarding Campus Improvements at Caldwell Memorial Hospital

CAUTION: External email. Do not click links or open attachments unless verified. Report suspicious emails with the Report Message button located on your Outlook menu bar on the Home tab.

Good morning,

Please see attached Exemption Notice Regarding Campus Improvements at Caldwell Memorial Hospital.

Thank you -
Marjorie

Marjorie McVay
Strategy Consultant | Regulatory Affairs
UNC Health
Marjorie.McVay@unchealth.unc.edu

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