



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

October 31, 2023

Ms. Susan Daniels  
[susandaniels@doshers.org](mailto:susandaniels@doshers.org)

**Exempt from Review – Physician Office or Medical Office Building**

**Record #:** 4281  
**Date of Request:** August 1, 2023  
**Business Name:** J. Arthur Doshier Memorial Hospital  
**Business #:** 1035  
**Project Description:** Develop two physician office buildings on the hospital campus  
**County:** Brunswick

Dear Ms. Daniels:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the project described above is exempt from certificate of need review in accordance with G.S. 131E-184(a)(9). Therefore, you may proceed to offer, develop or establish the project described above without a certificate of need.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by the Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Tanya M. Saporito  
Project Analyst

Micheala Mitchell  
Chief

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

DELIVERED VIA EMAIL

July 27, 2023

Ms. Michaela Mitchell Chief  
Ms. Lisa Pittman, Assistant Chief  
Tanya Saporito, Certificate of Need Analyst  
Health Planning and Certificate of Need Section  
Department of Health Service Regulation  
2701 Mail Service Center  
Raleigh, NC 27699-2701  
[tanya.saporito@dhhs.nc.gov](mailto:tanya.saporito@dhhs.nc.gov)

**RE: Request for Exemption from CON Review for Emergency Department Expansion,  
Doshier Hospital, Southport, Brunswick County FID #923286**

Dear Ms. Mitchell, Ms. Pittman, and Ms. Saporito,

Please accept this as required written notification on behalf of Doshier Hospital that it intends to spend approximately \$9 million on new construction to expand the main hospital building to include a new Emergency Room. The project will be in space immediately adjacent to the existing main campus building as illustrated on the Attached site plan.

With the proposed project, Doshier Hospital main hospital building will have additional square feet. **Attachment A** illustrates the location of the Emergency Department project. The project will involve some demolition of existing medical office buildings. Staff in this space will relocate to vacant space in the former nursing home and to other office buildings owned by Doshier Hospital. When the new ED is complete in December 2025, the former Emergency Department space will be used for wound care and general surgery outpatient clinics.

The Emergency Department was last updated in 2011. Since then, both Smithfield Township and Brunswick County populations have grown exponentially. The area is a retirement center, a tourist destination, and a growing residential community. The result is that our small emergency room must expand to accommodate the more than 12,000 annual visits.

The Master Facility Plan includes several other improvements/ renovations to the existing hospital building between now and 2026:

- Upgrade Sterile Processing
- Expand Operating Room Support spaces – no increase in operating rooms
- Expand Lab waiting and support space
- Expand Pharmacy clean rooms
- Renovate existing ED space for wound and general surgery outpatient clinics

- Consolidate Multispecialty Clinic

This project satisfies the requirements under N.C.G.S. 131E-184(g) for "any capital expenditure that exceeds the four-million-dollar (\$4,000,000) threshold set forth in G.S. 131 E-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.

J. Arthur Doshier Memorial Hospital {"Doshier Hospital"} is a licensed acute care hospital, License No. H-0150. The renovation entails expansion of the main building, on the "main campus" as defined by GS 131E-176(14n). In that main hospital building Doshier Hospital provides clinical patient services and exercises financial and administrative control over the entire licensed health service facility.

Administrative offices are in the same main building, illustrated in [Attachment A](#).

- a. All services in the project are located in, or will be an extension of the main building, with one exception, the Multispecialty Clinic.
- b. The Multispecialty Clinic is within 250 yards of the main building; and even if it were not, it would qualify for a physician office building exemption under G.S. 131E-184(a)(9).

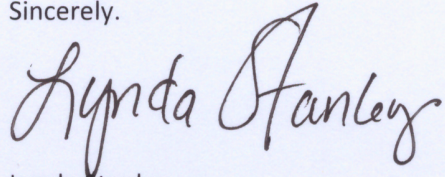
Doshier Hospital also plans to upgrade its Electronic Medical Record System. This would qualify for an Exemption under G.S. 184 (a)(3) " to provide data processing equipment."

Doshier Hospital also intends to develop two physician office buildings costing less than \$2.0 million each. These would qualify for an exemption under G.S. 131E-184(a)(9).

The estimated total capital expenditure of all elements exceeds the four-million-dollar threshold set forth in G.S. 131 E-176(16) b. [Attachment C](#) contains a summary of the proposed project costs. The capital expenditure will not result in either a change in bed capacity as defined in G.S. 131E-176(5) or 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.

We would appreciate your confirmation that this project is exempt from CON review. Thank you for your attention to this request. If you have questions, please let me know.

Sincerely,

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

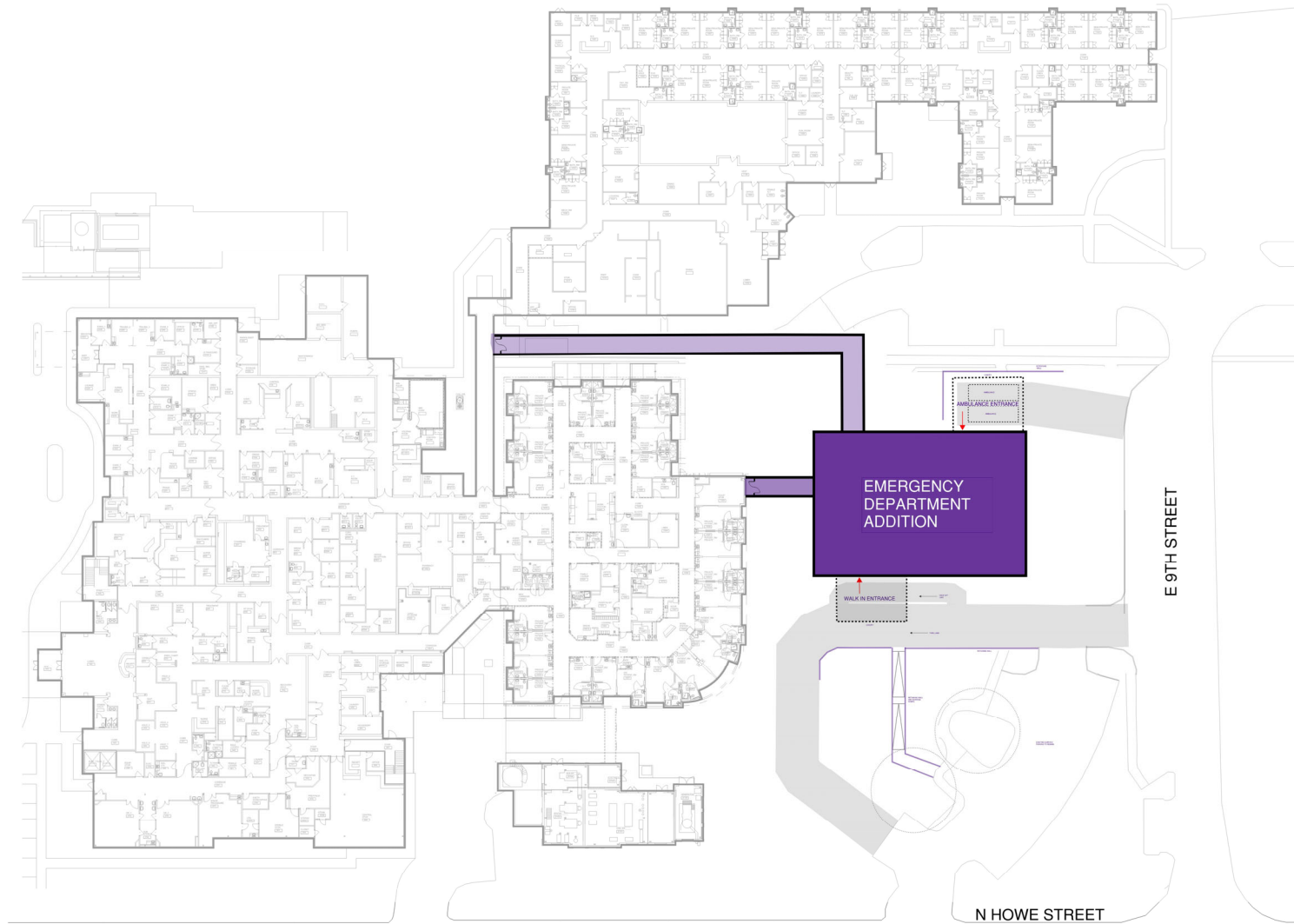
Lynda Stanley  
Chief Executive Officer

Attachments:

- A. Proposed Emergency Department Site/ Floor Plan
- B. Doshier Hospital Campus Site Plan
- C. Summary Project Cost Estimate Entire Master Facilities Plan

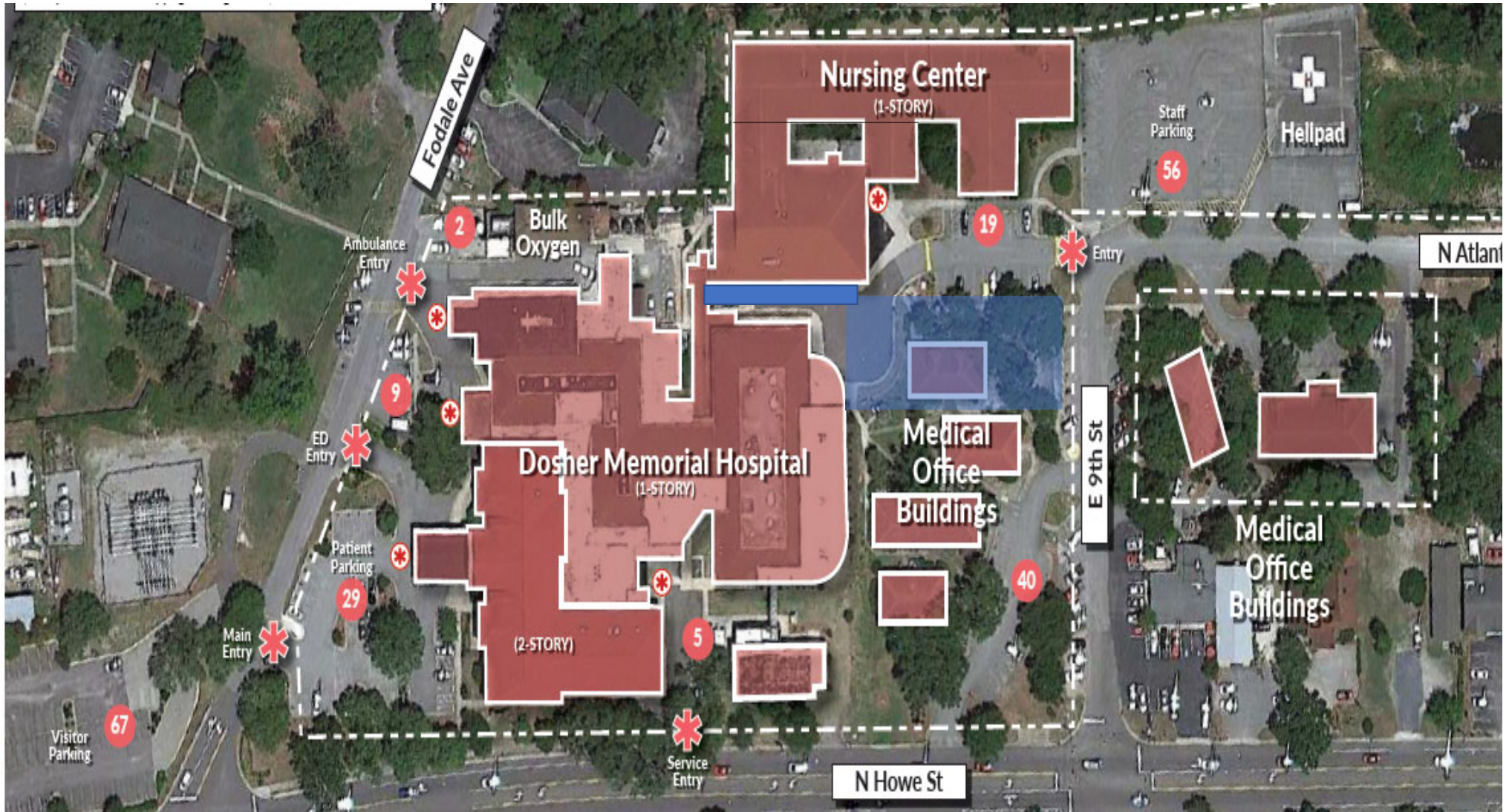
# Emergency Department Floor Plan/Site Plan

# Attachment A



# Dosher Hospital Existing Site Plan

# Attachment B



## Summary Project Cost

<b>Dosher Hospital Master Facility Plan</b>	
<b>Item</b>	<b>Total</b>
Emergency Dept	\$9,000,000
Sterile Processing	500,000
Lab and Pharmacy	2,171,580
Renovate Existing ED Space	2,700,000
<b>Total Hospital</b>	<b>\$14,371,580</b>
Off-site physician Office Buildings(2) Long Beach Road and Oak Island	\$2,800,000
<b>Total MFP</b>	<b>\$17,171,580</b>