



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

December 19, 2024

Denise Gunter  
Denise.gunter@nelsonmullins.com

**Exempt from Review**

**Record #:** 4664  
**Date of Request:** December 10, 2024  
**Facility Name:** PruittHealth-Raleigh  
**FID #:** 990762  
**Business Name:** PruittHealth-Raleigh, LLC  
**Business #:** 1908  
**Project Description:** Renovate and expand facility to convert semi-private to private rooms with no change in the total number of licensed beds  
**County:** Wake

Dear Denise Gunter:

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 (e). 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,

Crystal Kearney  
Project Analyst

Micheala Mitchell  
Chief

cc: Construction Section, DHSR  
Nursing Home 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  
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December 10, 2024

**VIA EMAIL ONLY**

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

RE: PruittHealth–Raleigh  
2420 Lake Wheeler Rd, Raleigh, NC 27603  
NH# 0618  
FID# 990762  
Wake County  
Health Service Area IV

Dear Ms. Mitchell:

On behalf of PruittHealth-Raleigh (“PH-Raleigh”), a skilled nursing facility (“SNF”) licensed for 150 SNF beds, I am writing to inform the Agency of PH-Raleigh’s intention to renovate and expand the facility on the same site, and to seek an exemption from CON review pursuant to N.C. Gen. Stat. § 131E-184(e).

***Background***

PH-Raleigh originally opened in 2004. Most of the beds (approximately 90%) at PH-Raleigh are in semi-private rooms. While semi-private rooms still have an important role to play in SNFs, SNFs are increasingly moving toward private rooms to enhance patient privacy and comfort and improve infection control. PH-Raleigh intends to build a new wing to accommodate more private rooms through the conversion of existing semi-private rooms. Specifically, the new wing will have room for 27 private beds. PH-Raleigh intends to maintain its licensed bed capacity during this time and will not build space for more beds than it has Licensure or CON approval to construct. Other improvements that

will be made include a new nurse call system, additional building security and upgraded telephone and IT infrastructure. The proposed capital costs will exceed \$4 million.

### **Analysis**

N.C. Gen. Stat. § 131E-184(e) contains an exemption specifically for projects such as PH-Raleigh's:

The Department shall exempt from certificate of need review a capital expenditure that exceeds the monetary threshold set forth in G.S. 131E-176(16)b. if all of the following conditions are met:

- (1) The proposed capital expenditure would meet all of the following requirements:
  - a. Be used solely for the purpose of renovating, replacing on the same site, or expanding the following facilities:
    1. Nursing home facility;
    2. Adult care home facility;
    3. Intermediate care facility for individuals with intellectual disabilities.
  - b. Not result in 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.
- (2) The entity proposing to incur the capital expenditure provides prior written notice to the Department, which notice includes documentation that the proposed capital expenditure would be used for one or more of the following purposes:
  - a. Conversion of semiprivate resident rooms to private rooms.
  - b. Providing innovative, homelike residential dining spaces, such as cafes, kitchenettes, or private dining areas to accommodate residents and their families or visitors.
  - c. Renovating, replacing, or expanding the residential living or common areas to improve the quality of life of residents.

N.C. Gen. Stat. § 131E-184(e).

Micheala Mitchell  
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To the extent the telephone, IT, building security and nurse call components are outside of subsection (e), they fall squarely within N.C. Gen. Stat. §§ 131E-184(a)(3) (“to provide data processing equipment”) and (a)(4) and (“to provide . . . basic plant or mechanical improvements”).

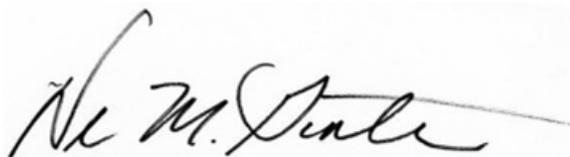
The proposed project satisfies all of the conditions set forth in the statute. The sole purpose of the project is to expand a SNF on the same site in order to accommodate more private rooms and upgrade certain critical features, such as the nurse call system building security and phone and IT infrastructure. There will be no change in bed capacity as that term is defined in N.C. Gen. Stat. § 131E-176(5), or the addition of a health service facility or any other new institutional health service other than that allowed in N.C. Gen. Stat. § 131E-176(16)(b). This project will result in the conversion of semi-private rooms to private rooms, will improve the quality of life of residents through spacious, private rooms and enhance safety, security, and efficiency through a new nurse call system and other infrastructure improvements as detailed in this letter.

### **Conclusion**

Based on the foregoing, we respectfully request that the Agency issue its written determination that the foregoing project is exempt from CON review. If you need further information, please let me know.

Thank you for your time and prompt consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise M. Gunter", is written over a light gray rectangular background.

Denise M. Gunter

**From:** [Denise Gunter](#)  
**To:** [Waller, Martha K](#); [Stancil, Tiffany C](#); [Mckillip, Mike](#); [Kearney, Crystal](#)  
**Subject:** [External] Wake County Exemption Letter for PruittHealth  
**Date:** Tuesday, December 10, 2024 10:03:15 AM  
**Attachments:** [December 2024 PruittHealth Wake Exemption Letter.pdf](#)

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**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,

I hope everyone is doing well. Attached for processing is an exemption letter for PruittHealth-Raleigh's SNF in Wake County.

Could you please confirm that you have received this?

Thanks.



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**DENISE M. GUNTER PARTNER**  
[denise.gunter@nelsonmullins.com](mailto:denise.gunter@nelsonmullins.com)

She/Her/Hers

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