



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 CORRECTION

June 28, 2024

Carolyn McCarty
Carolyn.McCarty@AdventHealth.com

No Review

Record #: 4467
Date of Request: June 5, 2024
Facility Name: St. Luke's Hospital
FID #: 943469
Business Name: Fletcher Hospital, Inc.
Business #: 745
Project Description: Change in licensee and operator of hospital and certain other assets, including a medical office building, via sublease
County: Polk

Dear Ms. McCarty:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence regarding the project described above. Based on the CON law in effect on the date of this response to your request, the project as described is not governed by, and therefore, does not currently require a certificate of need. If the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office.

Please do not hesitate to contact this office if you have any questions.

Sincerely,

Ena Lightbourne

Ena Lightbourne,
Project Analyst

Micheala Mitchell

Micheala Mitchell,
Chief

cc: 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

Email Only: Ena.Lightbourne@dhhs.nc.gov
June 5, 2024

Ena Lightbourne, Project Analysis
Healthcare Planning & Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health & Human Services
809 Ruggles Dr.
Raleigh, NC 27603

RE: Notice Requesting Determination
Business Name: Fletcher Hospital, Incorporated
Project Description: Change in Operator and Licensee of St. Luke's Hospital ("Facility")
Project Description: Develop a Physician Office Building
County: Polk
Facility ID: 943469

Dear Ms. Lightbourne:

This notice is a request for a written determination that the projects described herein are not subject to and/or are otherwise exempt from CON review as such does not entail the offering of a new institutional health service as defined in N.C. Gen. Stat. 131E-176.

In summary, the projects incorporate the following:

- o A sublease of the Hospital Premises (as defined below).
- o A long-term lease of a physician office building from St. Luke's Professional Building, Inc., an affiliate of St. Luke's Hospital, Inc.
- o A lease of certain real and personal property used in association with the Facility (as defined below) and affiliated facilities.

St Luke's Hospital (the Facility) is located at 101 Hospital Drive in Columbus, North Carolina. The Facility has a 25-bed capacity and is licensed as a critical access hospital (Facility ID 943469, License Number: H0079).

The Facility is currently operated by and licensed to St. Luke's Hospital, Inc. The improvements and real property housing the Facility (Hospital Premises) are owned by Polk County, North Carolina (Lessor). The Hospital Premises are currently leased by St. Luke's Hospital, Inc. ("SLHI") from Lessor pursuant to an Amended and Restated Lease Agreement dated September 20, 2021 (the Lease).

SLHI, with approval of the Lessor, will Sublease the Hospital Premises to Fletcher Hospital, Incorporated (FHI) pursuant to a Sublease of County Lease (the "Sublease"). The Sublease is for an initial term of 20 years, commencing on October 1, 2024, with the ability to renew for two additional terms of 20 years each. The Sublease does not contain any provision authorizing the sale or the purchase of the Facility.

In addition to and for the same duration as the Sublease, SLHI, and certain of its affiliates (including St. Luke's Professional Building, Inc. ["SLPB"]), will enter into an agreement whereby FHI will lease certain other assets currently utilized by SLHI in association with the operation of the Facility, including a medical office building.

As of October 1, 2024, the Facility will be operated and licensed by FHI, a North Carolina nonprofit corporation and a subsidiary of Adventist Health System Sunbelt Healthcare Corporation, a Florida nonprofit corporation.

This Notice is a request for a determination that the Sublease, if approved by Polk County, is not subject to CON review, nor is the long-term lease of the medical office building and other associated hospital assets, as such use will not result in the offering of a new institutional health service as defined in N.C. Gen. Stat. 131E-176(16).

Please contact me for any questions or additional information needed.

Sincerely,



Diane L. Godfrey
AdventHealth
Vice President
Regulatory Advocacy
407-357-2927

From: [Lightbourne, Ena](#)
To: [Stancil, Tiffany C](#)
Subject: FW: [External] NCDHHS - notification & review request
Date: Wednesday, June 5, 2024 2:45:35 PM
Attachments: [NCDHHS Notice 6.5.2024 RA.pdf](#)

Tiffany, can you log? Thanks.

Ena Lightbourne
Project Analyst, CON
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
[NC Department of Health and Human Services](#)

(I am in the office Thursdays and Fridays. I am working remotely on the other days, therefore email is typically the best way to reach me.)

Main: 919-855-3873
Ena.lightbourne@dhhs.nc.gov

809 Ruggles Drive, Edgerton Building
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Raleigh, NC 27699-2704

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From: McCarty, Carolyn <Carolyn.Mccarty@AdventHealth.com>
Sent: Wednesday, June 5, 2024 2:41 PM
To: Lightbourne, Ena <ena.lightbourne@dhhs.nc.gov>
Cc: Godfrey, Diane <Diane.Godfrey@AdventHealth.com>
Subject: [External] NCDHHS - notification & review request

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Dear Ms. Lightbourne,

Please see the attached notification letter for your review.

Please let us know if you have any questions or need anything additional regarding the notification and request.

Thank you,

Carolyn McCarty

AdventHealth Sr. Manager | Regulatory Advocacy

407-357-2927 – Main Office Phone number

Carolyn.McCarty@AdventHealth.com

cc: Diane.Godfrey@Adventhealth.com

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