



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

November 1, 2024

Emily Cromer

[emily.cromer@unchealth.unc.edu](mailto:emily.cromer@unchealth.unc.edu)

**Exempt from Review**

**Record #:** 4640  
**Date of Request:** October 31, 2024  
**Facility Name:** UNC Medical Center  
**FID #:** 923517  
**Business Name:** University of North Carolina Hospitals at Chapel Hill  
**Business #:** 1900  
**Project Description:** Reconfigure bed units on the UNCH main campus  
**County:** Orange

Dear Ms. Cromer:

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,

Cynthia Bradford  
Project Analyst

Micheala Mitchell  
Chief

cc: Acute and Home Care Licensure and Certification Section, DHSR  
Construction 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



October 31, 2024

VIA ELECTRONIC MAIL

Micheala Mitchell, Chief  
Cynthia Bradford, Analyst  
Healthcare Planning and Certificate of Need Section  
Division of Health Service Regulation  
2704 Mail Services Center  
Raleigh, NC 27699-2704

Re: UNC Hospitals Exemption Notice Regarding Bed Restack Project

Dear Ms. Mitchell and Ms. Bradford:

Pursuant to N.C. Gen. Stat. § 131E-184(g), UNC Hospitals (“UNCH”) gives this prior written notice of a proposed exempt project. Following the shift of bed units to the recently opened North Carolina Surgical Hospital in August 2024, UNCH is planning to reconfigure various bed units on the UNCH main campus in Chapel Hill. The reconfiguration of bed units will allow UNCH to better regionalize patient populations, enabling smoother patient transitions for patients and their care teams and ultimately improving overall operational efficiency.

**Exemption Provisions**

This renovation project falls within the “Main Campus Exemption Provisions” in N.C. Gen. Stat. § 131E-184(g)(1)-(3). 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 Provisions in Section 131E-184(g), the term “main campus” is defined in N.C. Gen. Stat. § 131E-176(14n) as follows:

- “(14n) “Main campus” means all of the following for the purpose of G.S. 131E-184(f) and (g) only:

- 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.”

UNCH is a licensed hospital and is thus an existing licensed “health service facility” under the CON Law. See N.C. Gen Stat. § 131E-176(9). The proposed project will occur within the UNCH main campus hospital building.

In accordance with Section 131E-184(g)(1), the sole purpose of the project is to renovate, replace, or expand a portion of the existing UNCH hospital facility on the main campus. **Only existing health services currently offered at UNCH will be provided as a result of this Exempt Project.**

In accordance with Section 131E-184(g)(2), the Exempt Project will “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 other new institutional health service facility other than that allowed in G.S. 131E-176(16)b.” No new operating rooms will be developed and no major medical equipment will be acquired as a result of this Exempt Project. The capital cost for the project will exceed \$4 million.

Finally, in accordance with Section 131E-184(g)(3), this correspondence serves as prior written notice to the Agency of UNCH’s planned Exempt Project.

### Conclusion

It is our understanding and belief that all aspects of this project on UNCH’s main campus are exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(g), and UNCH requests written confirmation of such understanding. Please do not hesitate to contact me at [emily.cromer@unchealth.unc.edu](mailto:emily.cromer@unchealth.unc.edu) if you have any questions, and thank you in advance for your attention to this matter.

Sincerely,



Emily Cromer  
Director of Regulatory Affairs & Facility Strategy  
UNC Health