



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 3, 2024

Emily Cromer

Emily.Cromer@unchealth.unc.edu

Exempt from Review

Record #: 4587
Date of Request: September 27, 2024
Facility Name: UNC REX Hospital
FID #: 953429
Business Name: Rex Hospital, Inc.
Business #: 1554
Project Description: Renovate laboratory on the main campus
County: Wake

Dear Emily 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,

Crystal Kearney

Crystal Kearney

Project Analyst

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

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



September 27, 2024

VIA ELECTRONIC MAIL

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

Re: Rex Hospital, Inc.'s Exemption Notice Regarding Rex Main Laboratory Renovation

Dear Ms. Mitchell and Mr. McKillip:

Pursuant to N.C. Gen. Stat. § 131E-184(g), Rex Hospital, Inc. ("UNC Health Rex") gives this prior written notice of a proposed exempt project. UNC Health Rex is planning to renovate laboratory space on the UNC Health Rex main campus located at 4420 Lake Boone Trail in Raleigh, North Carolina.

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.”

UNC Health Rex 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 laboratory renovations will occur within the UNC Health Rex main campus hospital building.

Project Summary

The primary purpose of the laboratory renovation project is to reconfigure existing laboratory departments for increased efficiency. The laboratory renovation project is expected to be completed in five phases by late 2025. Completing the project in five phases will allow each laboratory department affected to remain fully operational as it is enlarged, renovated, or relocated within the UNC Health Rex 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 UNC Health Rex hospital facility on the main campus. Only existing health services currently offered at UNC Rex 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 Rex’s planned Exempt Project.

Conclusion

It is our understanding and belief that all aspects of this laboratory renovation project on UNC Health Rex’s main campus are exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(g), and UNC Rex requests written confirmation of such understanding. Please do not hesitate to contact me at 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