



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

November 25, 2025

Daniel Carter

danielcarter@ascendient.com

No Review

Record #: 5003
Date of Request: November 6, 2025
Facility Name: CarolinaEast Medical Center
FID #: 923126
Business Name: CarolinaEast Health System
Business #: 2722
Project Description: Redesignate 5 acute care beds as Level II neonatal beds
County: Craven

Dear Mr. Carter:

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 representation in your request and 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. **As a reminder, it is unlawful to offer or develop a new institutional health service without first obtaining a certificate of need. The Department reserves the right to impose sanctions, including civil penalties and the revocation of a license, upon any entity that offers or develops a new institutional health service without first obtaining a certificate of need.**

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

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

LOCATION: 1915 Health Services Way, Raleigh, NC 27607
MAILING ADDRESS: 1915 Health Services Way, 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhhs.gov/dhsr • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Daniel Carter
November 25, 2025
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Sincerely,

A handwritten signature in black ink, appearing to read 'G. Yakaboski', with a long horizontal flourish extending to the right.

Gregory F. Yakaboski
Project Analyst

A handwritten signature in black ink, appearing to read 'Micheala Mitchell', written in a cursive style.

Micheala Mitchell
Chief

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

CarolinaEast
Medical Center

CarolinaEast
Diagnostic Center

CarolinaEast
Surgery Center

CarolinaEast
Rehabilitation
Hospital

CarolinaEast
Heart Center

CarolinaEast
Urology Center

CarolinaEast
Internal Medicine

CarolinaEast
Pediatrics

CarolinaEast
Gastroenterology

CarolinaEast
Cardiac, Thoracic &
Vascular Surgery

CarolinaEast
Ear, Nose & Throat

CarolinaEast
Radiation Oncology

CarolinaEast
Physical Medicine &
Rehabilitation

CarolinaEast
Home Care

CarolinaEast
Foundation

CarolinaEast
Wound Healing &
Hyperbaric Services

Crossroads
Mental Health

November 7, 2025

Ms. Micheala Mitchell, Chief
Mr. Greg Yakaboski, Project Analyst
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation, NC DHHS
2704 Mail Service Center
Raleigh, NC 27699-2704
Micheala.Mitchell@dhhs.nc.gov
greg.yakaboski@dhhs.nc.gov

RE: No Review Determination for Redesignation of Existing Licensed Acute Care Beds
Facility Name: CarolinaEast Medical Center
County: Craven
License #: H0201
FID #: 923126

Dear Ms. Mitchell and Mr. Yakaboski:

CarolinaEast Medical Center (CEMC) is requesting confirmation that its intention to redesignate up to five (5) existing licensed acute care beds as neonatal beds is not subject to Certificate of Need review.

CEMC is currently licensed for 307 acute care beds, as well as 20 inpatient rehabilitation and 23 inpatient psychiatric beds, for a total of 350 licensed beds. CEMC is the only existing acute care hospital in Craven County, and provides primary, secondary, and tertiary services to the broader region, including obstetric care. CEMC's existing acute care bed complement does not currently include any neonatal beds; however, as the only provider of obstetrics and newborn inpatient care in the county, it intends to develop Level II neonatal beds by redesignating some of its existing licensed acute care beds as neonatal beds. CEMC is working with its architects to design space that meets the requirements of the Acute and Home Care Licensure Section, which are based on FGI Guidelines. Prior to submitting drawings for review by the Construction Section, CEMC seeks written confirmation from the Healthcare Planning and Certificate of Need Section that it does not require a CON to develop this project.

Specifically, the proposed change in bed designation does not meet the definition of "new institutional health service" in N.C.G.S. §131E-176(16) *et seq.* In particular:

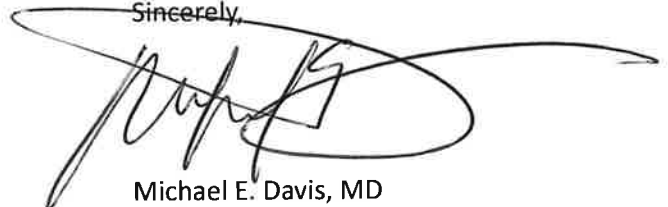
Ms. Micheala Mitchell, Chief
Mr. Greg Yakaboski, Project Analyst
November 7, 2025

- The capital expenditure for the proposed project will not exceed \$4,138,000, the current threshold in N.C.G.S. §131E-176(16)(b);
- The proposed project will not result in a change to bed capacity per N.C.G.S. §131E-176(5) and (16)(c), as the beds are currently acute care beds and will remain acute care beds, the same category of beds per N.C.G.S. §131E-176(9c);
- The proposed project does not contemplate the development of any of the services that are reviewable, *per se*, including neonatal intensive care services (N.C.G.S. §131E-176(16)(f)(3)), which are Level IV neonatal services and are separate and distinct from the Level II neonatal services contemplated by CEMC, as elucidated by DHSR's administrative rules for hospitals at 10A NCAC 13B .4305(2) and (4).
- The proposed project does not relate to any of the other definitions of "new institutional health service."

CEMC believes a determination of no review would be consistent with the Agency's determination on behalf of Scotland Memorial Hospital in 2017. Please see Agency Record # 2151¹. CEMC requests that the Agency confirm this understanding in writing.

Thank you for your attention to this matter. Please do not hesitate to contact me if any additional information is needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Davis", with a large, sweeping flourish extending to the right.

Michael E. Davis, MD
Vice President, Medical Affairs
CarolinaEast Health System

¹ https://info.ncdhhs.gov/dhsr/coneed/reviews/2017/feb/0314_scotland_smh.pdf

From: [Mitchell, Micheala L](#)
To: [Stancil, Tiffany C](#)
Cc: [Waller, Martha K](#); [Yakaboski, Greg](#)
Subject: FW: [External] No review request--Craven County
Date: Thursday, November 6, 2025 12:08:19 PM
Attachments: [Outlook-A blue and.png](#)
[CEMC No Review Request-Craven County.pdf](#)

Tiffany,

Would you mind logging the attached and assigning it to Greg?

Thanks,

Micheala

Micheala Mitchell, JD
[NC Department of Health and Human Services](#)
[Division of Health Service Regulation](#)
Section Chief, Healthcare Planning and CON Section
809 Ruggles Drive, Edgerton Building
2704 Mail Service Center
Raleigh, NC 27699-2704
Office: 919 855 3879
Micheala.Mitchell@dhhs.nc.gov

From: Daniel Carter <danielcarter@ascendient.com>
Sent: Thursday, November 6, 2025 12:05 PM
To: Waller, Martha K <martha.waller@dhhs.nc.gov>
Cc: Yakaboski, Greg <greg.yakaboski@dhhs.nc.gov>; Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
Subject: [External] No review request--Craven County

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 afternoon,

On behalf of my client, CarolinaEast Medical Center, please see the attached no review request.

Thank you.

Daniel

Daniel Carter | Partner

danielcarter@ascendient.com | 919.226.1720 | [LinkedIn](#) | www.ascendient.com



Our Higher Thinking [here](#)

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