

RESPONSE REQUIRED

February 27, 2012

Elizabeth Kirkman, Director
CHS Management Company
2709 Water Ridge Parkway, Suite 200
Charlotte, NC 28217

RE: Conditional Approval / Project I.D. #F-8740-11/ Mercy Hospital, Inc. d/b/a Carolinas Medical Center-Pineville/ Develop a Satellite Emergency Department near the intersection of Providence Road and I-485 and change of site for the imaging equipment approved in Project I.D. #F-7709-06 (CMC Mint Hill Imaging Center). The capital cost to develop the satellite ED is \$24,887,665. The total capital cost for the two projects is \$27,725,000/ Mecklenburg County FID #: 110798

Dear Ms. Kirkman:

The Certificate of Need (CON) Section, Division of Health Service Regulation, Department of Health and Human Services has conditionally approved the above referenced certificate of need application. This decision was made after a review of the applications submitted for this cycle and after consideration of the Certificate of Need Law, G.S. 131E-175 et. seq. and regulations promulgated thereunder, the State Medical Facilities Plan, and other applicable information. Written notice of all findings and conclusions upon which the decision was based will be provided to the applicants within five business days after the date of the decision in accordance with G.S. 131E-186. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Department shall not issue the certificate of need until all applicable conditions of approval that can be satisfied before issuance of the certificate of need have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. Mercy Hospital, Inc. d/b/a Carolinas Medical Center-Pineville shall materially comply with all representations made in the certificate of need application.
2. Mercy Hospital, Inc. d/b/a Carolinas Medical Center-Pineville shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.
3. Mercy Hospital, Inc. d/b/a Carolinas Medical Center-Pineville shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes. The plan must be consistent with the applicant's representations in the written statement as described in paragraph one of Policy GEN-4.

4. Upon completion this project (Project I.D. # F-8740-11), the certificate of need issued for Project I.D. #F-7709-06 (CMC-Mint Hill) shall be surrendered.
5. Mercy Hospital, Inc. d/b/a Carolinas Medical Center-Pineville shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.

Response to the above conditions should be submitted to the CON Section no later than 35 days from the date of the decision. Failure to respond within this time period may result in the CON Section making a determination not to issue a certificate of need for the project referenced above.

The conditional approval is valid only for a capital expenditure of \$27,725,000. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by G.S. 131E-176(16)(e).

The applicant should be aware that according to the Certificate of Need Law any affected person shall have thirty (30) days after the date of decision to file a petition for a contested case on this approval. Further, if you are aggrieved by the conditions of the decision you may file a petition for a contested case hearing in accordance with G.S. 150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings, P.O. Drawer 27447, Raleigh, North Carolina 27611-7447 within thirty (30) days of the date of this decision. [Note: Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to OAH Clerk's Office (919-431-3000).]

G.S. 150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Emery Milliken
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 MSC
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Certificate of Need Section.

The certificate of need will not be issued before the completion of this 30 day period ending March 28, 2012. If a contested case request is received within the thirty (30) day period, the certificate will not be issued until the appeal is resolved (10A NCAC 14C .0208).

The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the CON Section because the review period was extended. The timetable for this project is as follows:

Obtaining Funds necessary to Undertake Project _____ March 31, 2012

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Completion of Preliminary Drawings _____	April 29, 2012
Completion of Final Drawings and Specifications _____	July 28, 2012
Approval of Final Drawings and Specifications by the Construction Section, DHSR _____	September 26, 2012
Contract Award (Notice to Proceed) _____	October 26, 2012
25% Completion of Construction _____	February 3, 2013
50% Completion of Construction _____	May 4, 2013
75% Completion of Construction _____	August 2, 2013
Completion of Construction _____	November 10, 2013
Operation of Equipment _____	December 5, 2013
Licensure of Facility _____	January 1, 2014
Occupancy/Offering of service(s) _____	January 1, 2014

If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the certificate of need is issued. Please contact us if any clarification of this decision is required.

Please refer to the Project I.D.# and Facility I.D.# (FID) in all correspondence.

Sincerely,

Fatimah Wilson, Project Analyst

Craig R. Smith, Chief
Certificate of Need Section

FW:CRS:mw

Attachment

cc: Medical Facilities Planning Section, DHSR
Acute & Home Care Licensure & Certification Section, DHSR
Construction Section, DHSR

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing notice of conditional approval on the following persons by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelopes addressed as follows:

Elizabeth Kirkman, Director
CHS Management Company
2709 Water Ridge Parkway, Suite 200
Charlotte, NC 28217

Project I.D. # F-8739-11
FID # 110797

Project I.D. # F-8740-11
FID # 110798

This the 27th day of February, 2012.

Fatimah Wilson
Project Analyst