



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704
<http://www.ncdhhs.gov/dhsr/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief
Phone: (919) 855-3873
Fax: (919) 733-8139

RESPONSE REQUIRED

November 29, 2012

Jeffrey Shovelin
P.O. Box 6028
Greenville, NC 27835-6028

Conditional Approval

Project I.D. #: R-10015-12
Facility: Vidant Chowan Hospital
Project Description: Renovate space to expand outpatient services
County: Chowan
FID #: 933102

Dear Mr. Shovelin:

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. Attached to this letter are the required findings made with respect to your application. 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. East Carolina Health – Chowan, Inc. d/b/a Vidant Chowan Hospital, Inc. shall materially comply with all representations made in its certificate of need application.
2. East Carolina Health – Chowan, Inc. d/b/a Vidant Chowan Hospital, Inc. 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. East Carolina Health – Chowan, Inc. d/b/a Vidant Chowan Hospital, Inc. 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 \$4,992,200. 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, 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 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 Mail Service Center
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 December 31, 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:

Phase I – Renovation of Vacated SNF

| | |
|--|-------------------|
| Completion of Preliminary Drawings _____ | June 1, 2013 |
| Completion of Final Drawings _____ | August 1, 2013 |
| Approval of Final Drawings _____ | September 1, 2013 |
| Contract Award _____ | October 1, 2013 |
| 25% Completion of Construction _____ | January 1, 2014 |
| 50% Completion of Construction _____ | March 1, 2014 |
| Ordering Equipment _____ | March 1, 2014 |
| 75% Completion of Construction _____ | May 1, 2014 |
| Completion of Construction _____ | July 1, 2014 |
| Arrival of Equipment _____ | July 1, 2014 |
| Occupancy/Offering of Services _____ | August 1, 2014 |
| Operation of Equipment _____ | August 1, 2014 |

Phase II – Renovation of Community Service Building

| | |
|--|------------------|
| Completion of Preliminary Drawings _____ | April 1, 2014 |
| Completion of Final Drawings _____ | June 1, 2014 |
| Approval of Final Drawings _____ | July 1, 2014 |
| Contract Award _____ | August 1, 2014 |
| 25% Completion of Construction _____ | October 1, 2014 |
| 50% Completion of Construction _____ | December 1, 2014 |
| Ordering Equipment _____ | December 1, 2014 |
| 75% Completion of Construction _____ | February 1, 2015 |
| Completion of Construction _____ | March 1, 2015 |
| Arrival of Equipment _____ | March 1, 2015 |
| Occupancy/Offering of Services _____ | April 1, 2015 |
| Operation of Equipment _____ | April 1, 2015 |

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: 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 person by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelope addressed as follows:

Jeffrey Shovelin
P.O. Box 6028
Greenville, NC 27835-6028

Project I.D. #R-10015-12

FID # 933102

This the 29th day of November, 2012.

Fatimah Wilson
Project Analyst