



North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Drexdal Pratt  
Division Director

**RESPONSE REQUIRED**

January 28, 2013

W. Stan Taylor  
3000 New Bern Avenue  
PO Box 14465  
Raleigh, NC 27620-4465

**Conditional Approval**

Project I.D. #: J-10018-12

Facility: WakeMed

Project Description: Develop 8 new rehabilitation beds on the WakeMed Raleigh Campus for a total of 106 beds and construct an addition to house the new beds and 29 rehabilitation beds currently housed in semi-private rooms in the existing Wake Rehab Hospital

County: Wake

FID #: 943528

Dear Mr. Taylor:

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. WakeMed shall materially comply with all representations made in its application as amended by the conditions of approval.
2. WakeMed shall develop no more than 8 additional rehabilitation beds for a total of 106 rehabilitation beds upon project completion.



**Certificate of Need Section**

[www.ncdhhs.gov](http://www.ncdhhs.gov)

Telephone 919-855-3873 • Fax 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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3. WakeMed shall construct 29 replacement rehabilitation beds and operate all private rehabilitation beds upon completion of the project.
4. WakeMed 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 and which would otherwise require a certificate of need.
5. WakeMed shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to the 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 \$25,234,051. 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 February 27, 2013. 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:

Obtain Funds Necessary to Undertake Project _____	April 1, 2013
Complete Preliminary Drawings _____	October 1, 2013
Submit Final Drawings _____	April 1, 2014
25% Completion of Construction _____	December 1, 2014
50% Completion of Construction _____	August 1, 2015
75% Completion of Construction _____	March 1, 2016
Completion of Construction _____	October 1, 2016
Certification of Beds _____	October 1, 2016

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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,

Lisa Pittman, Team Leader

Craig R. Smith, Chief  
Certificate of Need Section

LP:CRS:mw

Attachment

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

W. Stan Taylor  
3000 New Bern Avenue  
PO Box 14465  
Raleigh, NC 27620-4465  
Project I.D. # J-10018-12  
FID # 943528

Catherine Cumber  
3100 Tower Boulevard, Suite 1300  
Durham, NC 27707  
Project I.D. # J-10021-12  
FID # 923421

I hereby certify that I have served the foregoing notice of disapproval 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:

April S. Culver  
509 North Bright Leaf Boulevard  
Smithfield, NC 27577  
Project I.D. # J-10022-12  
FID # 943290

Dee Jay Zerman  
Hedrick Office Building, Suite G050  
211 Friday Center Drive  
Chapel Hill, NC 27517  
Project I.D. # J-10017-12  
FID # 923517

This the 28<sup>th</sup> day of January, 2013.

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Lisa Pittman  
Team Leader