



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

RESPONSE REQUIRED

March 29, 2019

Andrea Gymer
2085 Frontis Plaza Blvd
Winston-Salem, NC 27103

Conditional Approval

Project ID #: F-11625-18
Facility: Novant Health Ballantyne Medical Center
Project Description: Develop a new, separately licensed 36-bed acute care hospital by relocating 36 acute care beds from Novant Health Presbyterian Medical Center, two ORs and one GI Endo room from Novant Health Ballantyne Outpatient Surgery and develop one new dedicated C-Section OR and one new CT scanner
County: Mecklenburg
FID #: 180518

Approved Capital Expenditure: \$154,388,021
Conditions of Approval: See Attachment A
Approved Timetable: See Attachment B
Last Date to Appeal: April 29, 2019
Required State Agency Findings: Will be mailed within five business days after the date of this letter

Dear Ms. Gymer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has conditionally approved the above referenced certificate of need application. This decision was made after review of the application or applications if the review was competitive, consideration of the Certificate of Need Law and regulations promulgated thereunder, the State Medical Facilities Plan, written comments if any, responses to comments if any, and other publicly applicable information.

The conditional approval is valid only for the approved capital expenditure shown above. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required based on N.C. Gen. Stat. §131E-176(16)(e).

The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Furthermore, the Agency shall not issue the certificate of need until all applicable conditions of approval have been met pursuant to N.C. Gen. Stat. §131E-187(a). **Response to the conditions in Attachment A should be submitted to the Agency no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency making a determination not to issue a certificate of need for the project referenced above.**

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

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhs.gov/dhsr • TEL: 919-855-3873

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 Agency because the review period was extended. The approved timetable for this project is found in Attachment B.

The Certificate of Need law provides that any affected person has thirty (30) days after the date of the decision to file a petition for a contested case on this approval. Further, if you are aggrieved by any of the conditions you may file a petition for a contested case hearing in accordance with N.C. Gen. Stat. §150B, Article 3. 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. Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to the OAH Clerk's Office (919-431-3000).

N.C. Gen. Stat. §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:

Lisa G. Corbett
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 Mail Service Center
Raleigh, North Carolina, 27699-2001

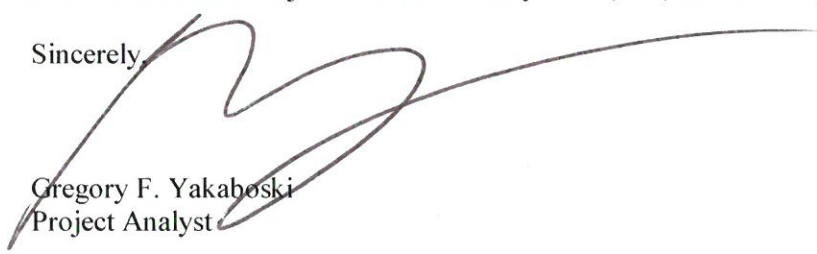
It is requested that a copy of the petition also be served on the Agency.

The certificate of need will not be issued before the completion of thirty day appeal period which ends on the date shown above. If a contested case petition is filed with OAH within the thirty day appeal period, the certificate will not be issued until the appeal is resolved.

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 this office if any clarification of this decision is required.

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

Sincerely,


Gregory F. Yakaboski
Project Analyst



Fatima Wilson
Team Leader

Enclosures:

Attachment A: Conditions of Approval
Attachment B: Approved Timetable

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

Attachment A
Conditions of Approval

1. **Novant Health, Inc. and Novant Health Ballantyne Medical Center, LLC shall materially comply with all representations made in the certificate of need application.**
2. **Novant Health, Inc. and Novant Health Ballantyne Medical Center, LLC, shall develop a new, separately licensed 36-bed acute care hospital by relocating 36 acute care beds from Novant Health Presbyterian Medical Center, two ORs and one GI Endo room from Novant Health Ballantyne Outpatient Surgery and develop a new dedicated C-Section OR and CT scanner.**
3. **Upon completion of the project, Novant Health Ballantyne Medical Center shall be licensed for no more than 36 acute care beds, 2 shared operating rooms, one dedicated C-Section operating room and one gastrointestinal endoscopy room.**
4. **Novant Health, Inc. and Novant Health Ballantyne Medical Center, LLC shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
5. **Novant Health, Inc. and Novant Health Ballantyne Medical Center, LLC 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.**
6. **No later than three months after the last day of each of the first three full years of operation following initiation of the services authorized by this certificate of need, Novant Health Ballantyne Medical Center, LLC shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:**
 - a. **Payor mix for the services authorized in this certificate of need.**
 - b. **Utilization of the services authorized in this certificate of need.**
 - c. **Revenues and operating costs for the services authorized in this certificate of need.**
 - d. **Average gross revenue per unit of service.**
 - e. **Average net revenue per unit of service.**
 - f. **Average operating cost per unit of service.**
7. **Novant Health Inc. and Novant Health Ballantyne Medical Center, LLC shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**

Attachment B
Approved Timetable

1. Construction/Renovation Contract(s) Executed _____ August 17, 2020
2. 25% of Construction/Renovation Completed _____
(25% of the cost is in place) _____ March 8, 2021
3. 50% of Construction/Renovation Completed _____ August 23, 2021
4. 75% of Construction/Renovation Completed _____ April 18, 2022
5. Construction/Renovation Completed _____ November 7, 2022
6. Licensure Obtained _____ January 1, 2023
7. Services Offered _____ January 12023
8. Medicare and/or Medicaid Certification Obtained _____ April 11, 2023
9. Facility or Service Accredited _____ April 11, 2023
10. Final Annual Report Due _____ March 31, 2026

