



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

March 12, 2012

Lynn S. Pitman
Associate Vice President,
Strategic and Business Planning
Wake Forest Baptist Health
Medical Center Boulevard
Winston-Salem, NC 27157

RE: No Review / Lexington Memorial Hospital / Renovate the Emergency Department / Davidson County

Dear Ms. Pitman:

The Certificate of Need (CON) Section received your letter of January 31, 2012 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that 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.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

In addition, you should contact the Construction Section to determine if they have any requirements for development of the proposed project. Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D.# (FID) if the facility is licensed.

Sincerely,

Gebrette Miles,
Project Analyst

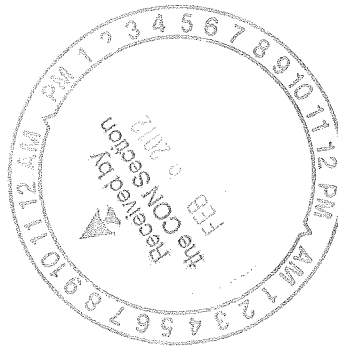
Craig R. Smith, Chief
Certificate of Need Section

cc: Construction Section, DHSR





January 31, 2012



Melville

Strategic and Business Planning

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Gebrette Miles, Project Analyst
Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health and Human Resources
2704 Mail Service Center
Raleigh, North Carolina 27699-2704

Re: Lexington Memorial Hospital Emergency Department Renovation

Dear Mr. Smith, Ms. Frisone and Ms. Miles,

The purpose of this letter is to notify the Division of Health Service Regulation that Lexington Memorial Hospital (LMH) plans to renovate its emergency department. LMH requests that the Division of Health Services Regulation issue a letter confirming that this project does not require certificate of need review as it does not meet the criteria set forth in N.C. General Statute § 131E-176(9)(a) or 131E-176(16)(b). This is a proposal to increase the size of the emergency department by seven incremental treatment spaces (increasing from 22 to 29) to accommodate continued growth in volumes and to improve security by allowing the department to be completely locked down during a crisis situation. The total project cost is estimated to be \$1,973,222, which includes \$1,581,700 in construction costs.

The current volume of patients being seen in LMH's ED far exceeds the existing facility's capacity. While the existing facility was designed in 1979 to accommodate roughly 23,000 annual visits, currently the Lexington Memorial Hospital ED is seeing approximately 32,000 patients per year. Trending of recent volumes indicate an annual patient load of approximately 47,000 patients by the year 2013. Therefore, this proposal represents an interim solution to renovate vacated physical therapy space in order to create secure space for Psych Holding, an 8-bed Fast Track Unit and to perform necessary repair / replacements to damaged finishes throughout the department. Below is a detailed description of the project phases as outlined in the attached drawings:

Phase 1: Relocate five (5) ED administrative offices to nearby vacant MOB on Lexington Memorial Campus. Relocate Psych Holding bays (recliners) to an existing adjacent large ED Exam Room.

Phase 2: Renovate Fast-Track Unit (alleviates hall-bed overflow situation).

Phase 3: Renovate existing “core” areas, including main Nurse Station, Exam 1&2, Triage Room, EKG alcove, EMT Room, and Family Consult.

Phase 4: Finish upgrades to remainder of existing department, including enlargement of Exam #13, Exam #14, and Soiled Workroom. Replace canvas awnings at ambulance and walk-in entries.

Phase 5: Renovate vacated Physical Therapy space to create a secure Psych Holding area.

Phase 6: Remove temporary psych holding bays (recliners) from large ED exam room to new Psych Holding area.

LMH plans to renovate approximately 12,540 square feet and upon completion will include the following complement:

<u>Existing ED:</u>	<u>Proposed ED:</u>
(16) Exam Rooms, (3) of which are semi-private – i.e., 10 private beds, 6 semi-private beds	(14) Exam Rooms, (2) of which are semi-private – i.e. 10 private beds, 4 semi-private beds
(2) Minor Care Rooms (Fast Track)	(8) Fast Track beds
(1) Triage Room	(2) Triage Rooms
(3) Psych Hold cubicles (semi-private alcoves within a secure room)	(4) Psych Seclusion Rooms w/in secure Psych Hold area with required support spaces

Please review the following Exhibits:

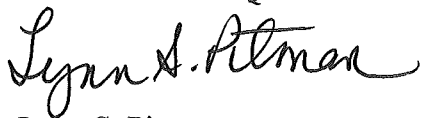
1. Proposed Capital Costs/Certified Cost Estimates
2. Schematic Drawing

Please note that Wake Forest Baptist Health and Lexington Memorial Hospital continues to evaluate the future needs of the ED to accommodate the projected demand in volume, which may require a future CON submission.

Based on the information contained in this letter, LMH respectfully requests that the Division of Health Service Regulation issue a letter confirming that the renovation of the Lexington Memorial Hospital ED is not reviewable as it does not meet the criteria set forth in the N.C. General Statute § 131E-176(9) (a) or 131E-176(16) (b) as the project is estimated to cost less than \$2 million. No new or existing facilities will be purchased or leased as a result of this project and no on-going CON applications will be effected by this project.

If you have any questions or need additional information, please do not hesitate to call me at (336) 716-1046. On behalf of LMH, I appreciate your attention to this important matter.

Sincerely,

A handwritten signature in cursive script that reads "Lynn S. Pitman". The signature is written in black ink and is positioned above the typed name.

Lynn S. Pitman
Associate Vice President,
Strategic and Business Planning

Attachment

PROJECTED CAPITAL COSTS - Lexington Medical Center (LMC): ED Renovation

Proponent:

A. Site Costs

(1) Full purchase price of land		\$	NA	
Acres _____ Price per Acre	\$	_____	NA	
(2) Closing costs		\$	NA	
(3) Site Inspection and Survey		\$	NA	
(4) Legal fees and subsoil investigation		\$	NA	
(5) Site Preparation Costs				
Soil Borings	\$	_____	NA	
Clearing-Earthwork	\$	_____	NA	
Fine Grade For Slab	\$	_____	NA	
Roads-Paving	\$	_____	NA	
Concrete Sidewalks	\$	_____	NA	
Water and Sewer	\$	_____	NA	
Footing Excavation	\$	_____	NA	
Footing Backfill	\$	_____	NA	
Termite Treatment	\$	_____	NA	
Other (Specify)	\$	_____	NA	
Sub-Total Site Preparation Costs		\$	NA	
(6) Other (Specify)		\$	NA	
(7) Sub-Total Site Costs				\$ <u>NA</u>

B. Construction Contract

(8) Cost of Materials				
General Requirements	\$	_____	272,550	
Concrete/Masonry	\$	_____	20,510	
Doors & Windows/Finishes	\$	_____	341,440	
Thermal & Moisture Protection	\$	_____	1,100	
Equipment/Specialty Items	\$	_____	132,115	
Mechanical/Electrical	\$	_____	584,650	
Other (Specify) -fabric awning	\$	_____	15,000	
Sub-Total Cost of Materials		\$	1,367,365	
(9) Cost of Labor (included in material costs)		\$	N/A	
(10) Other (Specify) - Contingency, insurance, bonds, etc.		\$	214,335	
(11) Sub-Total Construction Contract				\$ <u>1,581,700</u>

C. Miscellaneous Project Costs

(12) Building Purchase		\$	0	
(13) Fixed Equipment Purchase/Lease		\$	0	
(14) Movable Equipment Purchase/Lease		\$	50,000	
(15) Furniture		\$	12,441	
(16) Landscaping		\$	0	
(17) Consultant Fees				
Architect and Engineering Fees	\$	_____	73,500	
Legal Fees	\$	_____	5,000	
Market Analysis	\$	_____	0	
Other (CON/Other Agency Approv	\$	_____	0	
Sub-Total Consultant Fees		\$	78,500	
(18) Financing Costs (e.g. Bond, Loan, etc.)		\$	0	
(19) Interest During Construction		\$	0	
(20) Other (IS/Telecom, Fire Alarm, Nurse Call, Security, Signage)		\$	250,581	
(21) Sub-Total Miscellaneous				\$ <u>391,522</u>

D. Total Capital Cost of Project

\$ 1,973,222

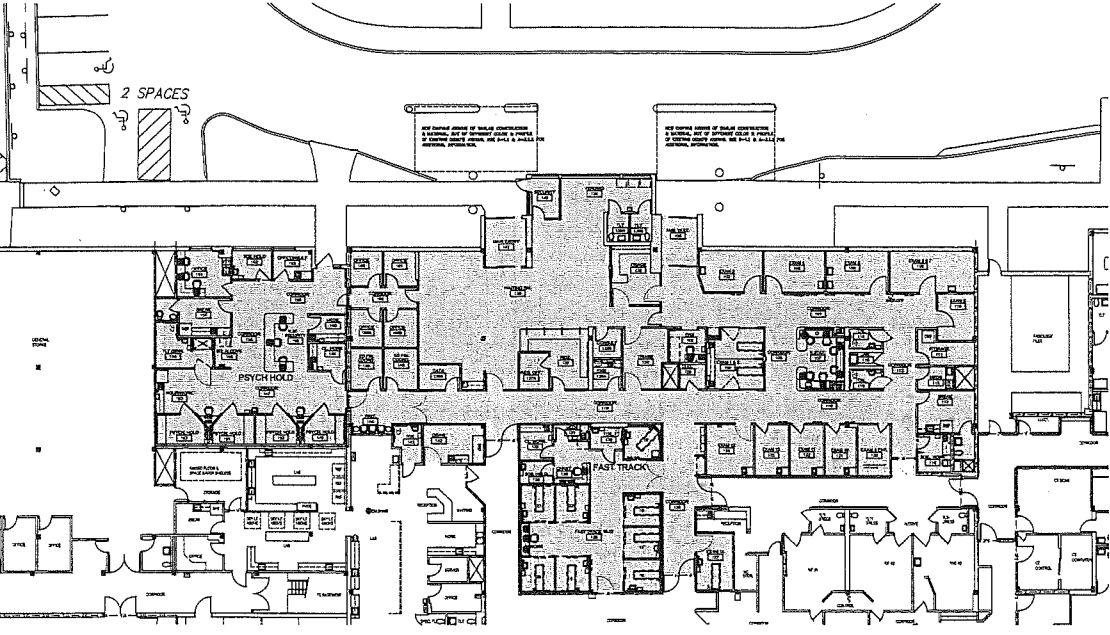
I certify that, to the best of my knowledge, the above construction related costs of the proposed project named above are complete and correct.

Stephanie Sparks NC License # 9184
 (Signature of Licensed Architect or Engineer)

I assure that, to the best of my knowledge, the above capital costs for the proposed project are complete and correct and that it is my intent to carry out the proposed project as described.

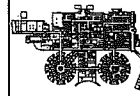
(Proponent - Signature of Officer) Stephanie Sparks


- WALL RATINGS LEGEND**
- ONE HOUR FIRE RATED BARRIER
 - TWO HOUR FIRE RATED BARRIER
 - ONE HOUR FIRE & SMOKE RATED BARRIER
 - TWO HOUR FIRE AND SMOKE RATED BARRIER
 - SMOKE TIGHT PARTITION
 - FIRE EXTINGUISHER CABINET



1 PARTIAL FIRST FLOOR PLAN
SCALE: 1/8"=1'-0"

KEYPLAN



 <p>WILLERSON ASSOCIATES 133 N. NORTHEAST AVENUE, SUITE 100, CHARLOTTE, NC 28206</p>	
<p>LEXINGTON MEMORIAL HOSPITAL E.D. RENOVATION LEXINGTON, NORTH CAROLINA PARTIAL FIRST FLOOR PLAN</p>	
<p>NO. 891.04</p>	<p>03 JAN. 2012</p>
<p>A-1.1</p>	