



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

December 12, 2014

Kenneth R. Beuley
5935 Carnegie Blvd, Suite 200
Charlotte, NC 28209

Brian Moore
509 Biltmore Avenue
Asheville, NC 28801

Exempt from Review – Medical Office Building

Provider: TKC CLXXXV, LLC, and Mission Hospital, Inc.
Project Description: Develop a medical office building
County: Haywood
FID #: 943349

Dear Mr. Beuley and Mr. Moore:

In response to your letters of November 19, 2014, and November 24, 2014, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(9). Therefore, you may proceed to offer, develop, or establish the above referenced project without a certificate of need.

However, you need to contact the Construction and the Acute and Home Care Licensure and Certification Sections of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed physician office.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination.



Certificate of Need Section

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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Kenneth R. Beuley and Brian Moore

December 12, 2014

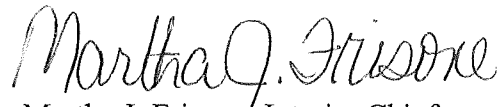
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If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,



Julie Halatek
Project Analyst



Martha J. Frisone, Interim Chief
Certificate of Need Section

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

November 24, 2014



Julie Halatek, Project Analyst
Martha Frisone, Interim Chief
Certificate of Need Section
Division of Health Service Regulation
NC Department of Health and Human Services
2704 Mail Service Center
Raleigh, North Carolina 27699-2704

Revised Letter



Re: Facility: Mission Hospital
Project Description: Develop a 30,000 Sq. Ft. Medical Office Building
County: Haywood
FID #: 943349

Dear Ms. Halatek and Ms. Frisone:

This revised letter will respond to your letter to me dated November 6, 2014 in which you reference an October 29, 2014 article published on line on the Asheville Citizen – Times website concerning a groundbreaking for a new medical office building in Haywood County. You also reference that the article was updated on October 30, 2014.

TKC CLXXXV, LLC is planning to develop and own the planned 30,000 sq. ft. medical office building. TKC CLXXXV, LLC is owned by employees and members of The Keith Corporation. TKC CLXXXV, LLC sent a letter to the Certificate of Need Section dated November 19, 2014 to provide prior written notice to the CON Section of the planned medical office building. Mission Hospital will enter into an operating lease with TKC CLXXXV, LLC to lease space in the medical office building to provide outpatient primary care, specialty care, imaging and lab services. The services will not be provided under the Mission Hospital license. Mission does not expect to offer in the medical office building any new institutional health service that would require a certificate of need. If at any time in the future Mission should decide to develop and offer a new institutional service at this location, it will notify the Certificate of Need Section and follow appropriate requirements in effect at the time to seek proper government approvals.

We trust that this letter responds to your questions. Should you need any further information, please let me know.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Brian D. Moore".

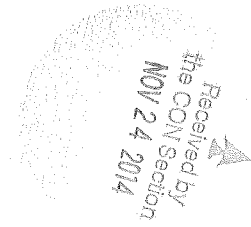
Brian D. Moore
Director of Planning & Public Policy

bcc: Maureen Demarest Murray
Kristi Sink

TKC CLXXXV, LLC
5935 Carnegie Blvd
Suite 200
Charlotte, NC 28209

November 19, 2014

Ms. Martha Frisone, Interim Chief
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Center Services
Raleigh, NC 27699-2704



Via FedEx

RE: TKC CLXXXV, LLC Medical Office Building Exemption Request

Dear Ms. Frisone:

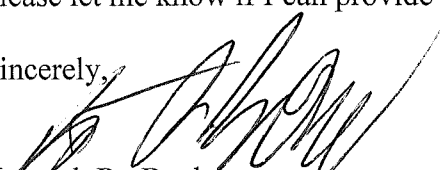
TKC CLXXXV, LLC plans to construct a medical office building (“MOB”) located at 368 Hospital Drive in Clyde on land owned by and leased from Mission Hospital, Inc. Prior to this notice, TKC CLXXXV, LLC has not entered into any binding commitment to build or finance the MOB. The MOB will be approximately 30,000 square feet with adequate parking for tenants and the general public. TKC CLXXXV, LLC will be the owner and landlord and is responsible for the construction of the core/shell building (no interior build out) and the site work. The primary building tenant is expected be Mission Hospital, Inc. The medical office building is expected to house offices for family medicine, specialty clinics, laboratory services a shared lobby and possibly for radiology services.

TKC does not plan to develop or offer any new institutional health services in the MOB. If, in the future, TKC CLXXXV, LLC decides to develop any new institutional health services (NIHS) in the MOB, TKC CLXXXV, LLC will apply for a certificate of need and address the applicable requirements in effect at the time.

TKC CLXXXV, LLC would appreciate confirmation that construction of the proposed medical office building is exempt from CON review in accordance with North Carolina G.S. 131E-184(1)(9).

Please let me know if I can provide further information for your review.

Sincerely,


Kenneth R. Beuley
Authorized Member



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

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Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

November 6, 2014

Brian Moore
428 Biltmore Avenue
Asheville, NC 28801

Inquiry

Facility: Mission Hospital
Project Description: Develop a 30,000 square foot medical office building
County: Haywood
FID #: 943349

Dear Mr. Moore:

On October 29, 2014, an article was published online on the Asheville Citizen-Times website. The article states:

"Mission Health scheduled a ground-breaking Wednesday for a new medical office building that will offer primary care and other services for patients in Haywood County.

The 30,000-square-foot building on 23 acres also will house expanded imaging and lab services as well as specialty care, said Kristi Sink, vice president of ambulatory and ancillary services.

...

The center is expected to open in about a year."

The article was updated on October 30, 2014. Additionally, a photo appearing with the article is credited to Mission Hospital and is captioned:

"Mission Health officials participate in the ground-breaking of the primary care facility in Clyde."



Certificate of Need Section

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Brian Moore
November 6, 2014
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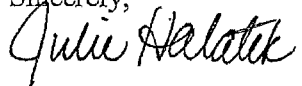
G.S. 131E-184(a)(9) states:

*“(a) Except as provided in subsection (b), the Department shall exempt from certificate of need review a new institutional health service **if it receives prior written notice** from the entity proposing the new institutional health service, which notice includes an explanation of why the new institutional health service is required, for any of the following:*

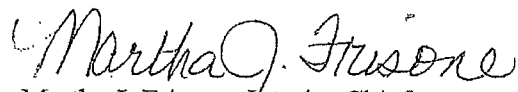
(9) To develop or acquire a physician office building regardless of cost, unless a new institutional health service other than defined in G.S. 131E-176(16)b, is offered or developed in the building.” (emphasis added)

The CON Section cannot find any record of prior written notice that was provided by Mission to the CON Section regarding the development of a medical office building in Haywood County. Please provide a copy of the prior written notice and the CON Section’s response, if it exists; if it does not exist, please explain why prior written notice was not provided.

Sincerely,



Julie Halatek
Project Analyst



Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Medical Facilities Planning Branch, DHSR