



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

July 8, 2015

Catharine W. Cummer, Regulatory Counsel, Strategic Planning
Duke University Health System
3100 Tower Blvd, Suite 1300
Durham NC 27707

Exempt from Review

Record #: 1633
Facility Name: Duke University Hospital
FID #: 943138
Business Name: Duke University Health System
Business #: 639
Project Description: Renovations to the Wadsworth Building
County: Durham

Dear Ms. Cummer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of June 23, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(g). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.

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 Agency. 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.

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

Sincerely,

Michael J. McKillip
Project Analyst

Martha J. Frisone, Assistant Chief
Certificate of Need

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Assistant Chief, Healthcare Planning



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-715-4413

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

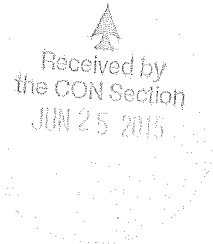
Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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Duke University Health System

Catharine W. Cummer
Regulatory Counsel, Strategic Planning



June 23, 2015

Via Electronic Mail and Federal Express

Martha Frisone
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Exempt Renovation Project at Duke University Hospital

Dear Ms. Frisone:

The purpose of this letter is to provide notice of renovations in the Wadsworth Building at Duke University Hospital and to request confirmation that these renovations are exempt from certificate of need review. Section 131E-184(g) provides that "The Department shall exempt from certificate of need review any capital expenditure that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(16)b. if all of the following conditions are met:

(1) The sole purpose of the capital expenditure is to renovate, replace on the same site, or expand the entirety or a portion of an existing health service facility that is located on the main campus.

(2) The capital expenditure does not result in (i) a change in bed capacity as defined in G.S. 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16)b.

(3) The licensed health service facility proposing to incur the capital expenditure shall provide prior written notice to the Department, along with supporting G.S. 131E-184 documentation to demonstrate that it meets the exemption criteria of this subsection."

As set forth below, we believe that Duke University Hospital's project is now exempt from certificate of need review.

(1) Main Campus

The purpose of this project is to renovate space in Duke University Hospital's Wadsworth Building, which is located on the "main campus" of the hospital, to accommodate clinical lab services that are currently provided in the hospital's nearby CARL building. This renovation will allow the consolidation of other clinical lab services provided by Duke

Martha Frisone
June 23, 2015

University Hospital and make the provision of these services more cost-effective. The project includes renovation of the first and second floors of the Wadsworth building for the clinical lab and required support areas (warehouse, break room, work room, supervisor offices).

The "main campus" of the facility is defined in N.C.G.S. 131E-176(14n) to include both "[t]he site of the main building from which a licensed health service facility provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building" and "[o]ther areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building."

In this case, Duke University Hospital is a licensed health service facility (see License attached as Exhibit A), and the main hospital building from which Duke University Hospital provides its clinical services and exercises financial and administrative control is the physically contiguous structure that includes Duke South, Duke North, the Duke Children's Hospital, the Duke Medical Pavilion, the Morris Clinic, the Duke Cancer Center, the Wadsworth Building, and the new Hudson Building. The Wadsworth Building is adjacent to Duke North, Duke University Hospital's primary acute care bed tower. A map of the hospital is attached as Exhibit B. Existing clinical lab services are located, among other DUH locations, in the CARL building, which is also on the main campus and identified on the map. Therefore, this project is to renovate and/or expand Duke University Hospital's existing health service facility located on the main campus.

(2) New Institutional Health Services

This project will not change Duke's existing bed capacity, nor include any other new institutional health services.

(3) Prior Written Notice

Please let this letter serve as the required prior written notice of this project.

Thank you for your attention to this request. If you have questions about this information, please let me know.

Very truly yours,



Catharine W. Cummer

Enclosures

State of North Carolina

Department of Health and Human Services Division of Health Service Regulation

Effective January 01, 2015, this license is issued to

Duke University Health System, Inc.

to operate a hospital known as

Duke University Hospital

located in Durham, North Carolina, Durham County.

*This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall remain
in effect until amended by the issuing agency.*

Facility ID: 943138

License Number: H0015

Bed Capacity: 957

General Acute 938, Psych 19,

Dedicated Inpatient Surgical Operating Rooms: 4

Dedicated Ambulatory Surgical Operating Rooms: 9

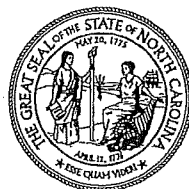
Shared Surgical Operating Rooms: 36

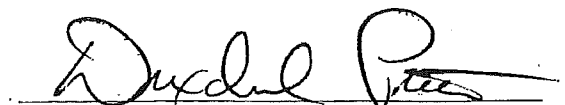
Dedicated Endoscopy Rooms: 10

Authorized by:



**Secretary, N.C. Department of Health and
Human Services**





Director, Division of Health Service Regulation

EX A



Campus Plan

5.12.2015