



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Drexdal Pratt
Division Director

September 22, 2015

Denise Gunter
380 Knollwood Street, Suite 530
Winston-Salem, NC 27103

Exempt from Review

Record #: 1727
Facility Name: FirstHealth Moore Regional Hospital
FID #: 943358
Business Name: FirstHealth of the Carolinas, Inc.
Business #: 739
Project Description: Renovate nursing units on the second and third floors
County: Moore

Dear Ms. Gunter:

On August 9, 2013, the Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) issued a certificate of need for Project ID #H-8839-12 to renovate the nursing units on the second and third floors of FirstHealth Moore Regional Hospital. The Agency has determined that based on your letter of September 4, 2015, the 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 & Certification Sections to determine if they have any requirements for development of the proposed project. In addition, please return the certificate of need issued on August 9, 2013, since it is no longer needed.

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



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

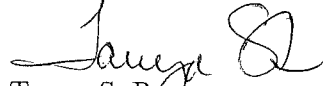
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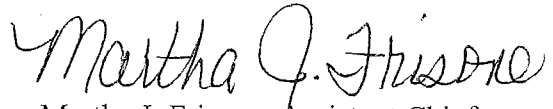
the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

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

Sincerely,



Tanya S. Rupp
Project Analyst



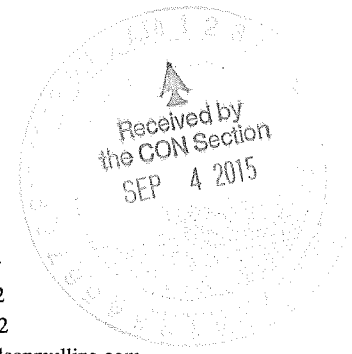
Martha J. Frisone, Assistant Chief
Certificate of Need

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

Nelson Mullins

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September 4, 2015

Hand Delivered

Martha J. Frisone, Assistant Chief
Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: FirstHealth of the Carolinas, Inc. d/b/a FirstHealth Moore Regional
County: Moore
HSA: V
FID: 943358
Project I.D: H-8839-12
Bus ID 739 NR id 1727

Dear Ms. Frisone:

On August 9, 2013, the CON Section issued the attached CON to FirstHealth of the Carolinas, Inc. ("FirstHealth") to renovate the nursing units on the second and third floors of FirstHealth Moore Regional Hospital ("Moore Regional"). The maximum capital expenditure stated on the CON is \$18,492,762. See Exhibit A. At the time the application was filed in June 2012, a CON was required for hospital renovation projects that cost more than \$2 million. See N.C. Gen. Stat. § 131E-176(16)b. However, the CON Law was subsequently amended in July 2013 to make such projects exempt from CON review, assuming the proponent meets the requirements of N.C. Gen. Stat. § 131E-184(g):

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 facility or any other new institutional health service other than that allowed in G.S. 131E1-76(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 documentation to demonstrate that it meets the exemption criteria of this subsection.

As discussed below, FirstHealth's project qualifies for exemption. If the exemption is approved, FirstHealth proposes to relinquish its CON for Project I.D. # H-8839-12.

1. Renovation on the main campus

The sole purpose of the project is to renovate nursing units on the second and third floor of Moore Regional, including general medical/surgical beds and ICU beds, with no increase in licensed bed capacity. Moore Regional is an existing licensed health service facility. The project will take place on the main campus of Moore Regional. Specifically, the project will take place on the second and third floors of Moore Regional at 155 Memorial Drive in Pinehurst. This is the main building from which Moore Regional provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building. N.C. Gen. Stat. § 131E-176(14n)a. A map of the main campus, with Moore Regional circled, is attached as Exhibit B.

2. No change in bed capacity or the addition of a health service facility or any other new institutional health service

There will be no change in Moore Regional's licensed bed capacity as a result of this project. See N.C. Gen. Stat. §§ 131E-176(5) and (9c). FirstHealth does not propose to add a health service facility or any other new institutional health service in this project.

3. Prior Written Notice

FirstHealth has not yet developed the project proposed in the CON for Project I.D. # H-8839-12. This letter therefore constitutes prior written notice to the CON Section, and provides supporting documentation demonstrating that FirstHealth's project qualifies for exemption under N.C. Gen. Stat. § 131E-184(g).

Martha J. Frisone
September 4, 2015
Page 3

Accordingly, FirstHealth respectfully requests that the CON Section determine in writing that the project described in this letter is exempt pursuant to N.C. Gen. Stat. § 131E-184(g).

Thank you for your time and attention.

Sincerely,

Denise M. Gunter

Denise M. Gunter



Enclosures

STATE OF NORTH CAROLINA

Department of Health and Human Services
Division of Health Service Regulation

CERTIFICATE OF NEED

for

Project Identification Number #H-8839-12

FID #943358

ISSUED TO: FirstHealth of the Carolinas, Inc.
d/b/a FirstHealth Moore Regional Hospital
155 Memorial Drive
Pinehurst, NC 28374

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

SCOPE: FirstHealth of the Carolinas, Inc. d/b/a FirstHealth Moore Regional Hospital shall renovate nursing units on the second and third floors, including general medical/surgical beds and ICU beds with no increase in licensed bed capacity/ Moore County

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: FirstHealth Moore Regional Hospital
155 Memorial Drive
Pinehurst, NC 28374

MAXIMUM CAPITAL EXPENDITURE: \$18,492,762

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: December 15, 2013

This certificate is effective as of the 9th day of August, 2013

Craig R. Smith by M. Dawson
Chief, Certificate of Need Section
Division of Health Service Regulation

CONDITIONS:

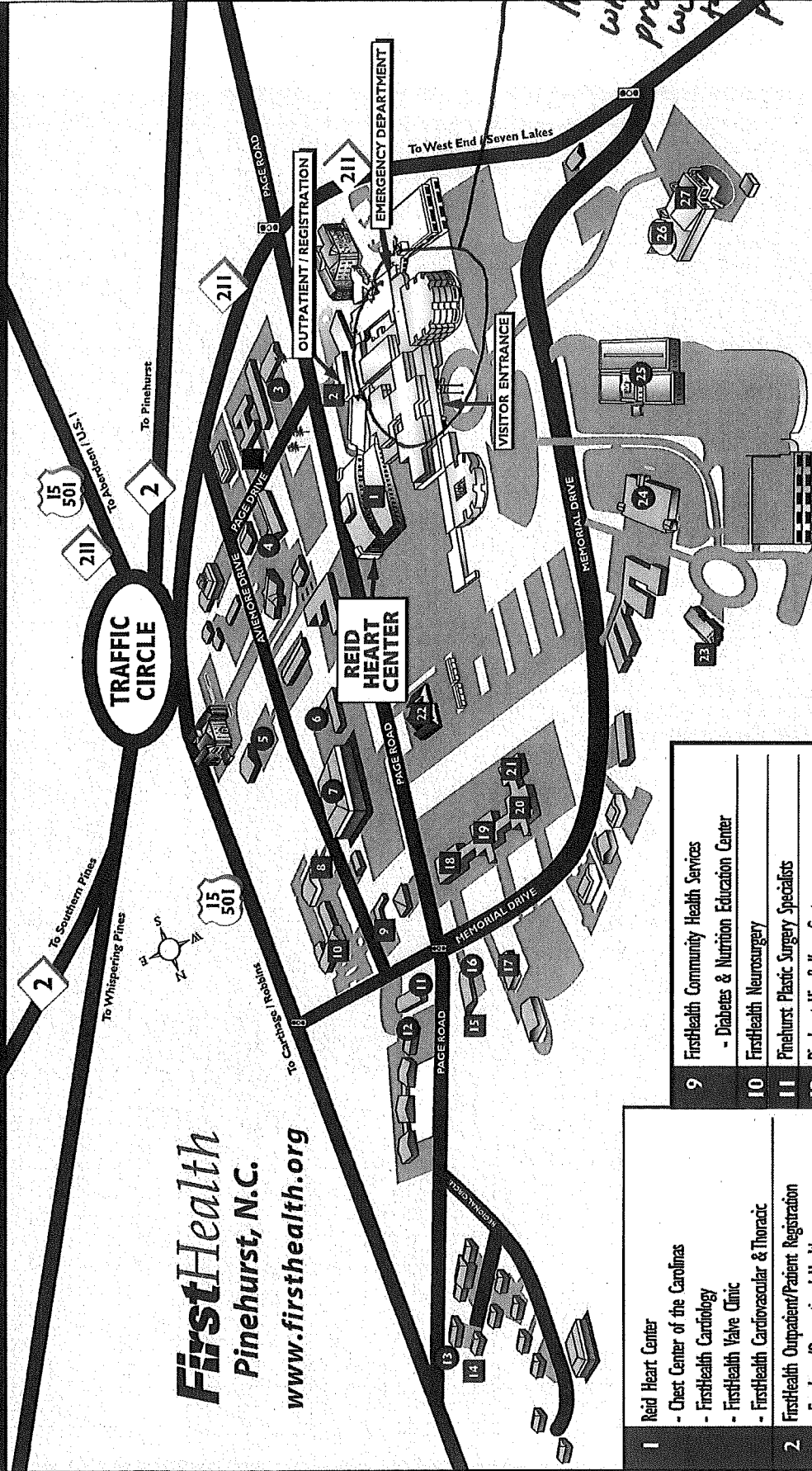
1. FirstHealth of the Carolinas, Inc. d/b/a FirstHealth Moore Regional Hospital shall materially comply with all representations made in the certificate of need application.
2. FirstHealth of the Carolinas, Inc. d/b/a FirstHealth Moore Regional Hospital shall be licensed for no more than 312 acute care beds following completion of this project and Project ID #N-8497-10 [Relocate 8 acute care beds to FirstHealth Hoke Community Hospital].
3. FirstHealth of the Carolinas, Inc. d/b/a FirstHealth Moore Regional Hospital 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 or that would otherwise require a certificate of need.
4. FirstHealth of the Carolinas, Inc. d/b/a FirstHealth Moore Regional Hospital shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.

TIMETABLE:

Completion of Preliminary Drawings _____	October 1, 2013
Completion of Final Drawings and Specifications _____	November 1, 2013
Approval of Final Drawings and Specifications by Construction Section, DHSR _____	December 1, 2013
Ordering of Equipment _____	February 1, 2014
25% Completion of Construction _____	August 1, 2014
50% Completion of Construction _____	September 1, 2014
Arrival of Equipment _____	September 1, 2014
75% Completion of Construction _____	December 1, 2015
Completion of Construction _____	June 1, 2016
Occupancy/Offering of Service/Operation of Equipment _____	June 1, 2016

FirstHealth Moore Regional Hospital Area Map

FirstHealth
Pinehurst, N.C.
www.firsthealth.org



231-170-14

1	Reid Heart Center - Chest Center of the Carolinas - FirstHealth Cardiology - FirstHealth Valve Clinic - FirstHealth Cardiovascular & Thoracic
2	FirstHealth Outpatient/Patient Registration - Employee/Occupational Health
3	Pinehurst Neurology
4	Pinehurst Oral Surgery
5	Mid-South Orthopaedics
6	Pinehurst Dermatology
7	Pinehurst Medical Clinic
8	FirstHealth Rehabilitation-Avermore

9	FirstHealth Community Health Services - Diabetes & Nutrition Education Center
10	FirstHealth Neurosurgery
11	Pinehurst Plastic Surgery Specialists
12	Pinehurst Hip & Knee Center
13	Pinehurst Family Care Center
14	FirstHealth Cardiology
15	FirstHealth Outpatient Imaging
16	Pinehurst Radiology Associates
17	FirstCarolinaCare Insurance Company

18	FirstHealth Specialty Centers Building 18 - Infectious Diseases 18 - Transition Care Clinic 19 - Back & Neck Pain 19 - FirstHealth Patient Accounts 20 - Behavioral Services Clinic 21 - Wound Care & Hyperbarics
22	FirstHealth Outpatient Cancer Center
23	Cara McLean House
24	Surgery Center of Pinehurst
25	Pinehurst Surgical
26	FirstHealth Fitness
27	FirstHealth Rehabilitation-Moore Rehab

main hospital where project will take place