



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Mark Payne, Director
Health Service Regulation

Elizabeth Kirkman
2709 Water Ridge Parkway
Suite 200
Charlotte, NC 28217

Exempt from Review

Record #: 2119

Facility Name: Carolinas HealthCare System NorthEast

FID #: 943049

Business Name: The Charlotte Mecklenburg Hospital Authority

Business #: 1770

Project Description: Renovate Carolinas HealthCare System NorthEast to improve wayfinding

County: Cabarrus

Dear Ms. Kirkman:


The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of December 15, 2016, 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,


Gregory F. Yakoboski
Project Analyst


Martha J. Frisone
Assistant Chief Certificate of Need

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



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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Carolinus HealthCare System

December 15, 2016

Ms. Martha Frisone, Assistant Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, NC 27603



RE: Request for Exemption from Review to Renovate and Improve Wayfinding at The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinus HealthCare System NorthEast

Dear Ms. Frisone:

I am writing to inform you of The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinus HealthCare System NorthEast's (CHS NE) plan to renovate within the hospital to improve wayfinding.

Pursuant to N.C.G.S. 131E-184(g), "[t]he 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 any 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. 131E-176(16)b.
- (3) The licensed health service facility proposing to incur the capital expenditure shall provide written notice to the Department along with support documentation to demonstrate that it meets the exemption criteria of this subsection."

N.C.G.S. 131E-176(14n) states "'Main campus' means all of the following for the purposes of G.S. 131E-184(f) and (g) only:

- a. The 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.
- b. Other areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building."

CHS NE's wayfinding renovation project meets each of the applicable conditions set forth above. The estimated total capital cost of the project exceeds \$2,000,000. Please see Attachment 1 for a capital cost worksheet and a certified construction cost estimate. The proposed project involves the renovation of an existing health service facility located at 920 Church Street, Concord, NC 28025, which is the site from which CHS NE provides clinical patient services and exercises financial and administrative control over the entire facility. CHS NE's President's office is located on the first floor of the main building. Please see a copy of CHS NE's license in Attachment 2.

The project consists of renovation only and does not involve a change in bed capacity as defined in G.S. 131E-176(5) or the addition of a health service facility or a new institutional health service. The project will not increase the number of operating rooms or gastrointestinal rooms. The project will not result in the acquisition of major medical equipment or the offering of health services not currently provided.

The project involves the renovation of floor, wall and ceiling finishes, light fixtures, signage, artwork and wayfinding for the primary corridor through the hospital on floors 1 and 2 (from the Medical Arts Building entrance to the Gold Elevators to the Employee Entrance). In addition, renovation of finishes, signage and wayfinding at the Gold Elevators and the Medical Arts Building Elevators on floors 3 and 4 are included in the proposed project. The volunteer's desk will be relocated and a digital wall display will be added in an effort to improve wayfinding throughout the hospital. The total square footage included in the project is 44,000 square feet. Please see Attachment 3 for a site plan and existing/proposed floor plans.

Summary

Based on the above facts, the project is exempt from certificate of need review. We are requesting that you confirm in writing that CHS NE's renovation is exempt from certificate of need review and that we may proceed as planned with this project.

Sincerely,



Elizabeth Kirkman
Assistant Vice President
CHS Management Company

Attachments

cc: Phyllis Wingate, President/Carolinas HealthCare System NorthEast

ATTACHMENT 1

PROPOSED TOTAL CAPITAL COST OF PROJECT

Project name: CHSNE Wayfinding
Provider/Company: Carolinas Healthcare System

A. Site Costs

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

B. Construction Contract

(8) Cost of Materials				
General Requirements			<u>Included</u>	
Concrete/Masonry			<u>Included</u>	
Woods/Doors & Windows/Finishes			<u>Included</u>	
Thermal & Moisture Protection			<u>Included</u>	
Equipment/Specialty Items			<u>Included</u>	
Mechanical/Electrical			<u>Included</u>	
Other (Specify)			<u>Included</u>	
Sub-total Cost of Materials				<u>Included</u>
(9) Cost of Labor				<u>Included</u>
(10) Other (Specify)				<u>Included</u>
(11) Sub-Total Construction Contract				<u>\$1,800,000</u>

C. Miscellaneous Project Costs

(12) Building Purchase				<u>N/A</u>
(13) Fixed Equipment Purchase/Lease				<u>N/A</u>
(14) Movable Equipment Purchase/Lease				<u>\$89,000</u>
(15) Furniture				<u>\$36,000</u>
(16) Landscaping				<u>N/A</u>
(17) Consultant Fees				
Architect and Engineering Fees			<u>\$82,000</u>	
Legal Fees			<u>N/A</u>	
Market Analysis			<u>N/A</u>	
DHSR/TAB			<u>\$36,000</u>	
Other (Abatement)			<u>N/A</u>	
Sub-Total Consultant Fees				<u>\$118,000</u>
(18) Financing Costs (e.g., Bond, Loan, etc.)				<u>N/A</u>
(19) Interest During Construction				<u>N/A</u>
(20) Other (Interior, Contingency)				<u>\$767,000</u>
(21) Sub-Total Miscellaneous				<u>\$1,010,000</u>
(22) Total Capital Cost of Project (Sum A-C above)				<u><u>\$2,810,000</u></u>

PROPOSED TOTAL CAPITAL COST OF PROJECT

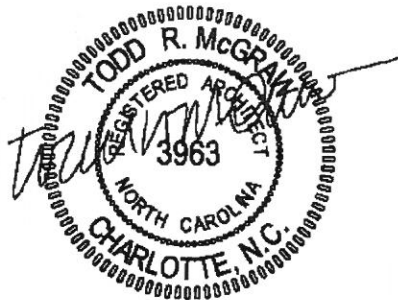
Project Name:

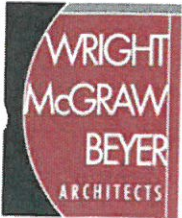
Provider/Company:

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

Todd R. McGraw

(Signature of Licensed Architect or Engineer)





December 9, 2016

Ms. Martha Frisone, Assistant Chief
Healthcare Planning and Certificate of Need Section
Division of Health Services Regulation
809 Ruggles Drive
Raleigh, NC 27603

Re: CHS NE Wayfinding Project
Concord, NC

Ms. Frisone,

Having worked with Carolinas Healthcare System to develop the design for the referenced project, Wright McGraw Beyer Architects, p.a. is pleased to provide the cost certification letter. The probable cost is based on the drawings included with the CON submittal. The estimated construction cost reflects our experience with similar healthcare project. Wright McGraw Beyer Architects, p.a. certifies to the best of our knowledge the construction cost of \$1,800,000.00.

Please call me if you have any questions or comments.

Sincerely,

Wright McGraw Beyer Architects, p.a.

Todd McGraw, AIA, NCARB, LEED AP
Managing Principal
North Carolina License #3963



H:\2943 CHS Northeast Wayfinding\01-Predesign\I.CON - CON\2016 12 09 2847714_Cost Certification Letter.docx

2105 Water Ridge
Parkway Suite 450
Charlotte, NC
28217

704.535.6374
www.wmba.net

ATTACHMENT 2

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 01, 2016, this license is issued to
The Charlotte-Mecklenburg Hospital Authority

to operate a hospital known as
Carolinas HealthCare System NorthEast
located in Concord, North Carolina, Cabarrus 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: 943049

License Number: H0031

Bed Capacity: 457

General Acute 447, Psych 10,

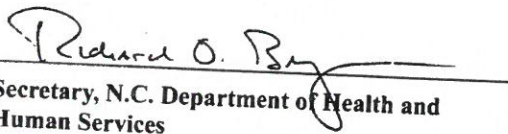
Dedicated Inpatient Surgical Operating Rooms: 4

Dedicated Ambulatory Surgical Operating Rooms: 0

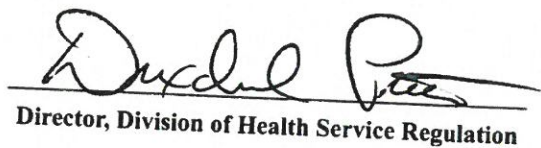
Shared Surgical Operating Rooms: 17

Dedicated Endoscopy Rooms: 6

Authorized by:


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




Director, Division of Health Service Regulation

ATTACHMENT 3

COLOR KEY

- 255-255-155 EXISTING BUILDING
- 255-155-000 RENOVATION

AREA OF WORK
(LEVEL 01)



EXISTING & PROPOSED SITE PLAN

Carolinas HealthCare System 12/12/2016

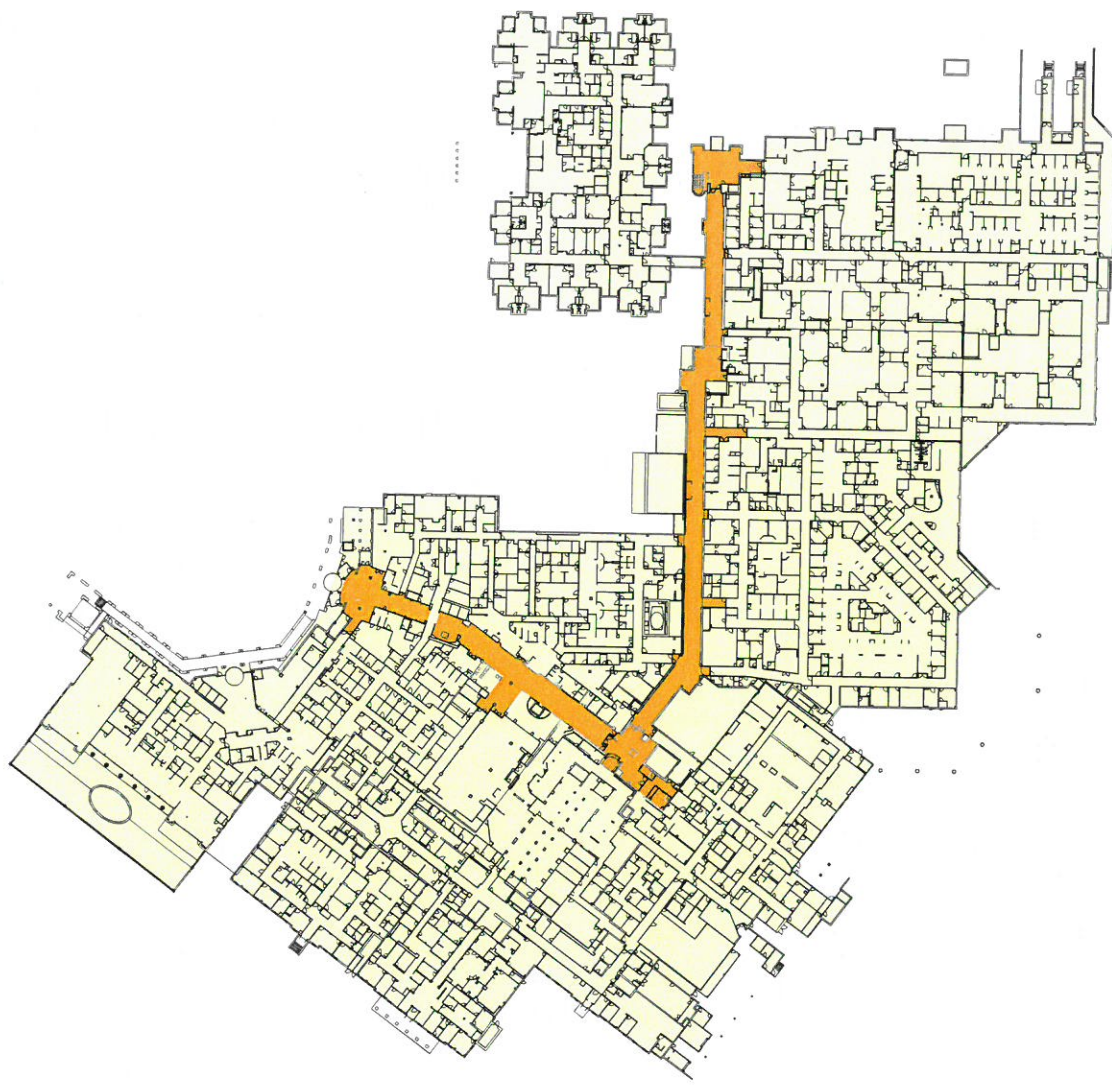
2847714

CHSNE Wayfinding Renovation



COLOR KEY

- EXISTING BUILDING
255-255-155
- RENOVATION - 8,740 SF
255-155-000



OVERALL PROPOSED PLAN - LEVEL 01

Carolinas HealthCare System 12/12/2016

2847714

CHSNE Wayfinding Renovation



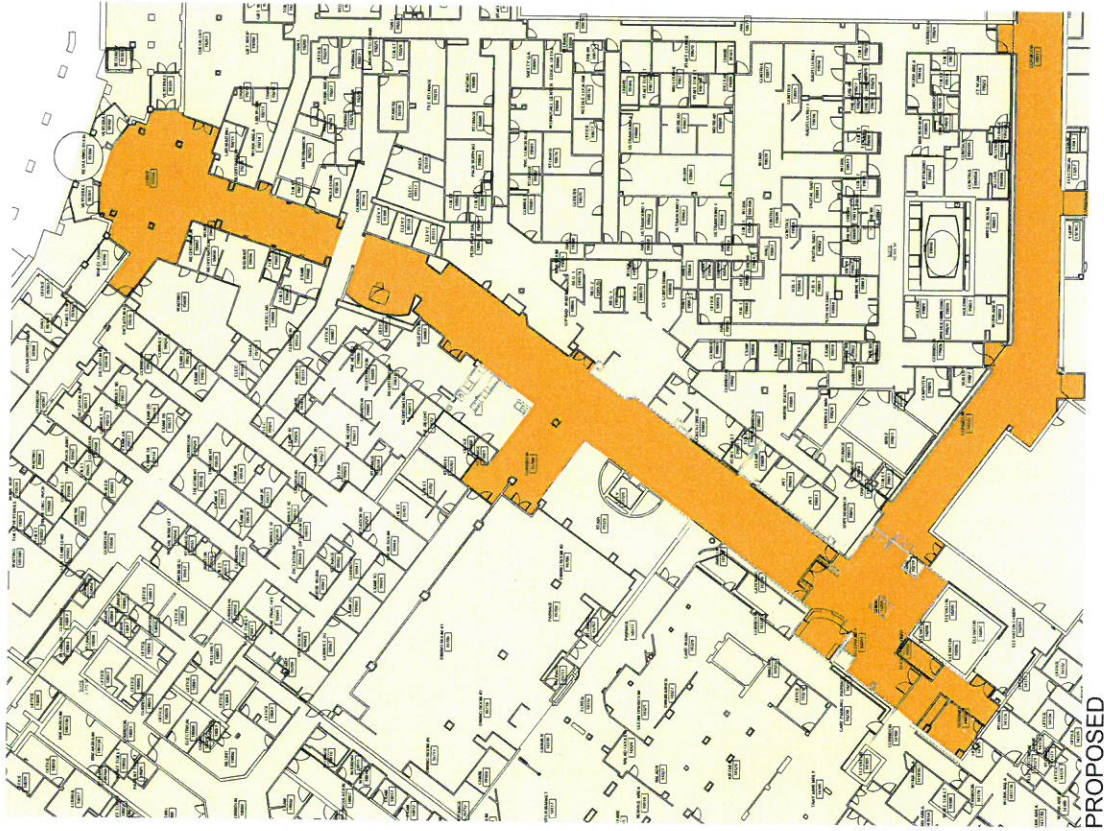
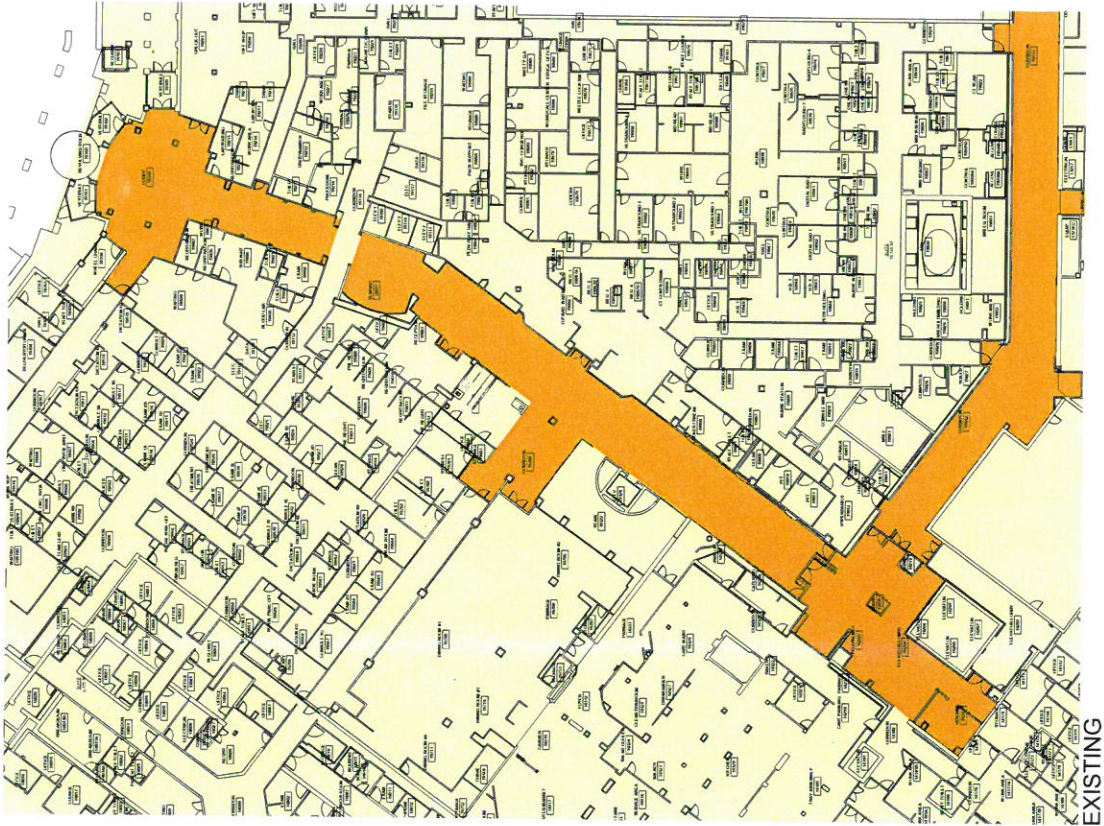
COLOR KEY

EXISTING BUILDING

255-255-155

RENOVATION - 8,740 SF

255-155-000



ENLARGED EXISTING & PROPOSED FLOOR PLAN - LEVEL 01

2847714



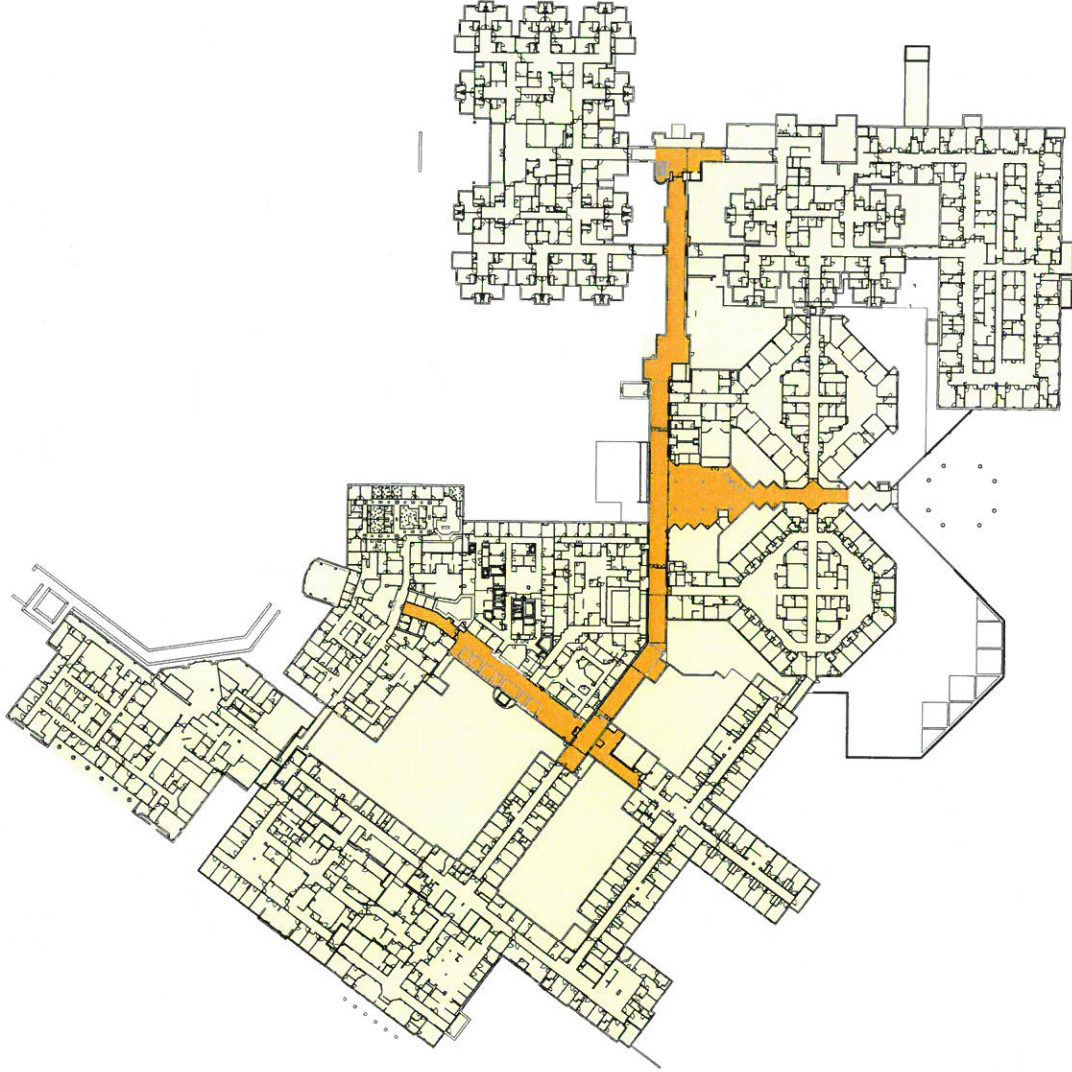
COLOR KEY

255-255-155

EXISTING BUILDING

255-155-000

RENOVATION - 8,357 SF



OVERALL PROPOSED PLAN - LEVEL 02

Carolinas HealthCare System

12/12/2016

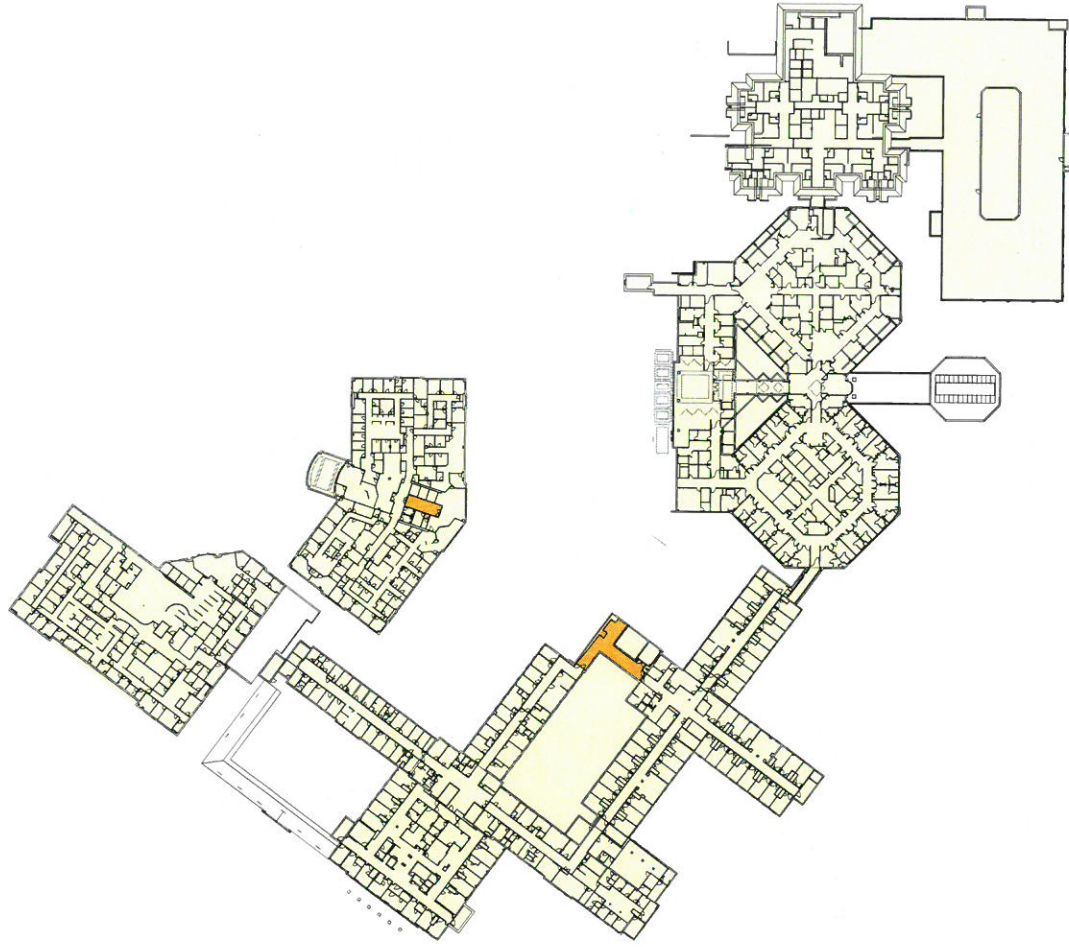
2847714

CHSNE Wayfinding Renovation



COLOR KEY

-  255-255-155 EXISTING BUILDING
-  255-155-000 RENOVATION - 1,254 SF



OVERALL PROPOSED PLAN - LEVEL 03

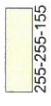
Carolinas HealthCare System 12/12/2016

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CHSNE Wayfinding Renovation



COLOR KEY



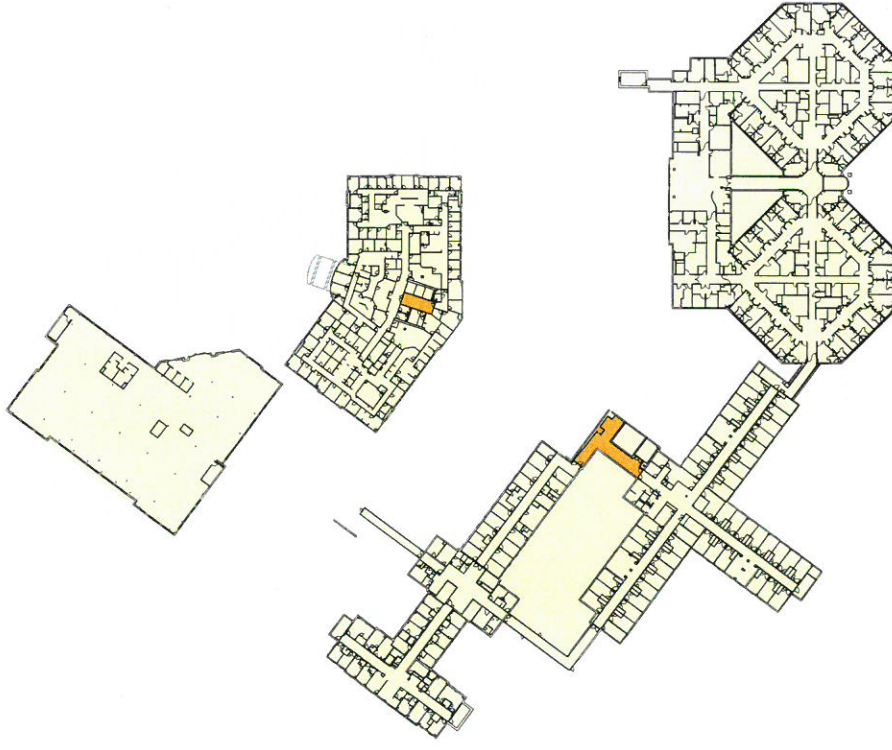
EXISTING BUILDING

255-255-155



RENOVATION - 1,254 SF

255-155-000



OVERALL PROPOSED PLAN - LEVEL 04

2847714

