

DEPARTMENT OF HEALTH AND HUMAN SERVICES DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER GOVERNOR

MANDY COHEN, MD, MPH SECRETARY

> MARK PAYNE DIRECTOR

May 24, 2017

Dee Jay Zerman 211 Friday Center Drive Suite G015 Chapel Hill, NC 27517

Exempt from Review

Record #:

2276

Facility Name:

UNC Hospitals

FID #:

923517

Project Description:

Renovate and upgrade the engineering systems which include plumbing, mechanical,

electrical and fire protection in support of the 5th floor of the Children's Hospital

County:

Orange

Dear Ms. Zerman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of May 18, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat §131E-184(a)(4). 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,

Bernetta Thorne-Williams

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

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603 MAILING ADDRESS: 2704 MAIL SERVICE CENTER •RALEIGH, NC 27699-2704 AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



Hedrick Building 211 Friday Center Drive, Suite G014 Chapel Hill, NC 27517

May 18, 2017

Ms. Bernetta Thorne-Williams, Project Analyst Healthcare Planning and Certificate of Need Section Division of Health Service Regulation, DHHS Mail Service Center 2704 Raleigh, NC 27699-2704

RE: Exemption Request / Renovation and upgrade of engineering systems in support of the 5th Floor of the NC Children's Hospital pursuant to NCGS § 131E-184(g) and/or NCGS §131E-184(a)(4) / UNC Hospitals / Orange County / FID # 923517

Dear Ms. Thorne-Williams:

UNC Hospitals is planning to renovate and upgrade the engineering systems supporting a portion of the 5th Floor of the North Carolina Children's Hospital. UNC Hospitals requests confirmation that this renovation is exempt from review pursuant to NCGS §131E-184(g) and/or NCGS §131E-184(a)(4).

NCGS §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 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 documentation to demonstrate that it meets the exemption criteria of this subsection.
- (1) Purpose: The project involves the renovation and upgrading of plumbing, mechanical, electrical and fire protection engineering systems primarily impacting approximately 8,176 square feet of space mainly on the 5th floor of the North Carolina Children's Hospital which is located on the main campus of UNC Hospitals. The activity will be performed to benefit the pediatric inpatient rooms in this location and the unit's service will not change as a result of this renovation. The number of inpatient beds will not change as a result of this renovation.

This renovation will allow us to modernize and update the unit to the CMS and Licensure standard of a "protective environment". The cost of the engineering systems renovation and upgrade is expected to be \$8,592,484. A certified cost estimate is contained in Exhibit 1. Floor plans of the existing and final space, and the engineering system impact plan are included in Exhibit 2. The floor's layout and design will not be altered, just the engineering systems for the protective environment.

As stated above, the unit's service will not change as a result of this renovation. The children cared for on this unit already require a protective environment. Many of these children are immunocompromised including oncology, solid organ transplant and children with congenital immunodeficiencies. This protective environment is suitable for all types of severely immunocompromised children requiring hospitalization and treatment. The renovations included in this project will allow for the beds and support space to be housed within a hepafiltered protective environment. One of the 15 inpatient pediatric rooms is an isolation room with an ante room, and this room will remain an isolation room after the renovations. UNC Hospitals' designers and engineers have been working with the State Construction Office and the DHSR Construction Section to ensure the upgrades comply with the standards for protective environments. Exhibit 3 contains copies of some recent communications regarding the upgrade of engineering systems to protective environment standards.

(1) Main Campus: NCGS §131E-176(14n) defines "Main Campus" as 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 building and grounds adjacent to the main building."

The proposed project involves renovating a portion of the 5th floor of the North Carolina Children's Hospital which is located on the main campus of UNC Hospitals. A key plan included in Exhibit 2 reflects the location within the main hospital complex. The building's address is 101 Manning Drive, Chapel Hill, NC. The space to be renovated is physically inside the main hospital building and shares the same physical address as UNC Hospitals. Financial and administrative control is provided in offices physically located on the 3rd floor of Medical Wing E, which is connected to the main hospital. The locations of the financial officer and administrative officer are indicated on the maps contained in Exhibit 4. UNC Hospitals is a licensed health service facility (DHSR Acute Care License No. H0157).

- (2) New Institutional Health Service: The renovation project will not result in a change of bed capacity, 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. No major medical equipment is included in this project. Exhibit 1 contains the project cost sheet including some minor furniture expense, however no individual item costs more than \$10,000.
- (3) Prior Written Notice: This request shall serve of prior written notice of this activity.

§NCGS 131E-184(a)(4) Exemptions from Review requires that "...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:

(4) To provide parking, heating or cooling systems, elevators, or other basic plant or mechanical

improvements, unless these activities are integral portions of a project that involves the construction of a new health service facility or portion thereof and that is subject to certificate of need review."

The existing system of plumbing, mechanical, electrical and fire protection supporting most of the 5th Floor of the NC Children's Hospital are to be renovated and upgraded to protective environment standards, with some minor impact to a few other locations. While the intent is to upgrade the 5th floor environment, upgrading of some of the systems will actually include system enhancements that service other floors, such as the air conditioning systems, water heaters, water treatment systems, etc.

As stated above, the unit's service will not change as a result of this renovation. The children already cared for on this unit require a protective environment. Many of these children are immunocompromised including oncology, solid organ transplant and children with congenital immunodeficiencies. Upgrading the engineering systems to a protective environment standard allows for a continuous space suited for all types of severely immunocompromised children requiring hospitalization and treatment, as opposed to just individual patient rooms. The renovations included in this project will allow for the beds and support spaces to all function within a hepa-filtered protective environment. UNC Hospitals' designers and engineers have been working with the State Construction Office and the DHSR Construction Section to ensure the upgrades comply with the standards for protective environments. Exhibit 3 contains copies of some recent communications regarding the upgrade of engineering systems to protective environment standards.

This project does not involve the addition of any licensed beds, major medical equipment, licensed programs, health services, or any health care service renovations. This project is not integral to any project that involves a new health service facility or is subject to certificate of need review. The engineering services upgrades are intended to mainly support a portion of the 5th Floor of the NC Children's Hospital which is a part of UNC Hospitals' main campus, although a few other locations will be impacted. All buildings are located at 101 Manning Drive, Chapel Hill, NC. A map is included in Exhibit 4. UNC Hospitals projects spending approximately \$8,592,484 to complete the system renovations and upgrades based on the experience of Skinner, Lamm and Highsmith. See Exhibit 1 for the certified cost estimate.

Therefore, in consideration of the above, UNC Hospitals requests confirmation that the proposed project is exempt from CON review.

Please do not hesitate to contact me at 984-974-1243 if you have any questions or need further information. Thank you for your prompt consideration of this matter.

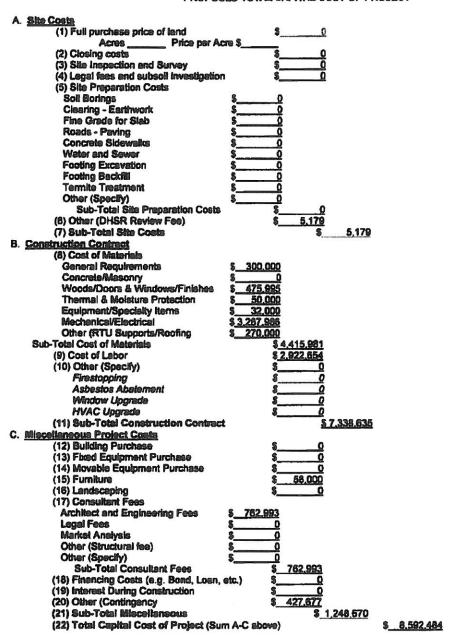
Sincerely,

Lee Jay Zerman, System Director

Regulatory Planning

UNC HCS

PROPOSED TOTAL CAPITAL COST OF PROJECT



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

Signature of Licensed Architect or Engineer

REV 5/12/2017

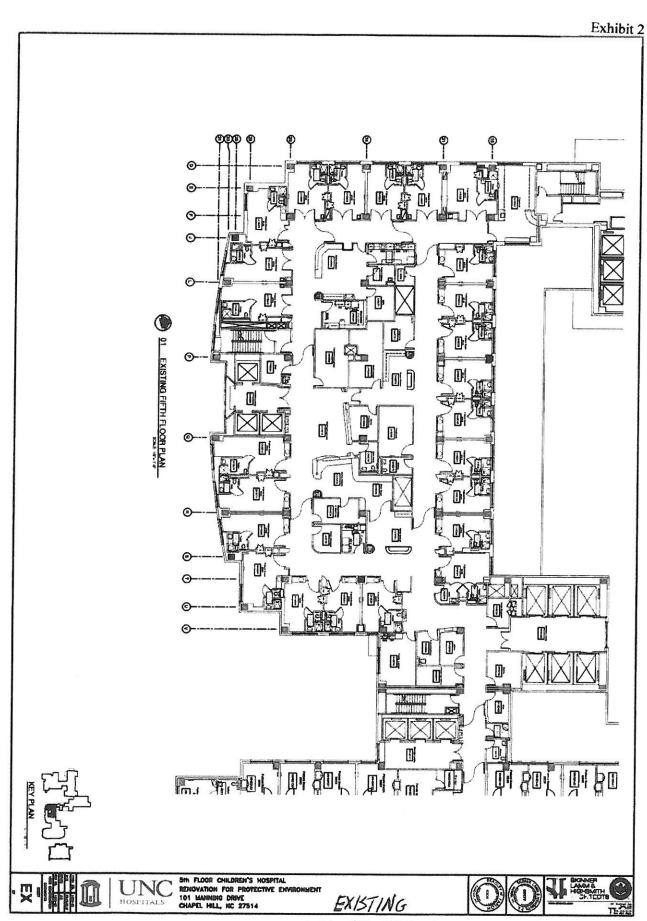
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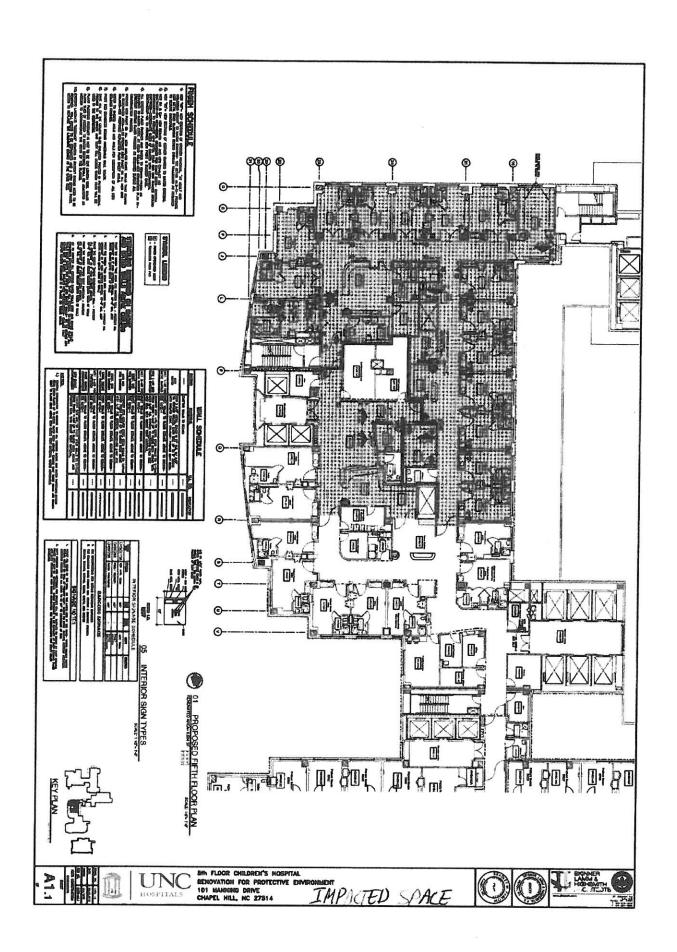
SON, NC

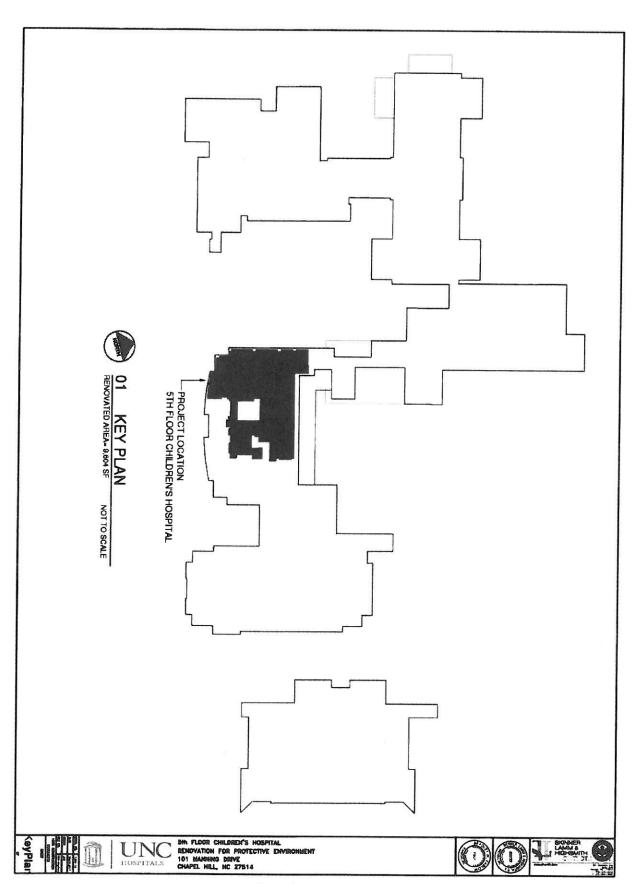
SIGNATURE

ARCHITECT

AR









March 31, 2017

Mr. Brad C. Morris, PE
Engineering Plan Review
Dept. of Health and Human Services
Construction Section
1800 Umstead Drive
Raleigh, NC 27603

Re:

Project No. HL-10763-MAB/BCM

FID No. 923517

SCO ID No. 16-16072-01A

University of North Carolina Hospitals

5th Floor Children's Hospital Renovation for Protective Environment

Chapel Hill (Orange County)

Dear Mr. Morris,

Thank you for your letter of review dated March 17, 2017. Please see attached response, dated March 29, 2017, from Spring Stoops McCullen Engineering.

Let me know if we need to take further action on these issues prior to submittal of the 100% CD documents.

Yours truly,

W.T. Highsmith, AIA, LEED AP

President /

Cc: Cleo Robinson, UNCH Ben Skinner, SLH

Jerry Harrison, SLH Carl Stupka, SSME



March 29, 2017

Department of Health and Human Services Division of Health Service Regulation Attn: Brad Morris 2705 Mail Service Center Raleigh, NC 27699-2705

Re:

UNC Hospitals

5th Floor Children's Protective Environment

SCO # 16-16072-01A

Dear Brad:

Below are our responses to your comments dated March 17, 2017.

The engineering portion of design development drawings dated December 16, 2016 (received December 21, 2016; fee paid December 13, 2016 for SD submission) and updated Life Safety Plan dated February 22, 2017 (received via email February 22, 2017) for the referenced project has been reviewed for conformance with licensure rules for Hospitals (10A NCAC Chapter 13 Subchapter B). The engineering portion of the drawings is approved to the next level of submittal provided we receive satisfactory written responses to the following review comments with the next submittal:

1. Provide color coded drawings for the CD submittal.

SSME RESPONSE: Color Coded drawings will be provided for CD Submittal

 Verify that all critical and life safety branch circuits are mechanically protected per NCEC 517.30(C)(3)

SSME RESPONSE: All new circuits shall be installed per 517.30(C)(3).

Confirm all lighting and receptacle branch circuits within patient care areas will meet the requirements of NCEC 517.13.

SSME RESPONSE: All new circuits shall be installed per 517.13.

4. Verify that normal and essential panels serving the project patient care vicinity are bonded using a minimum #10 AWG conductor. [NCEC 517.14].

SSME RESPONSE: The panels on the patient floors are existing; we will verify and add the bonding as required.

 Provide smoke detection at all areas open to the corridor including the nurse stations. [NCSBC 407.2.2]

SSME RESPONSE: Smoke detectors have been shown.

6. Indicate the location of all nurse call devices including, call stations, duty stations, nurse call master stations, dome lighting, and zone lighting. [NFPA 99 7.3.3.1, 10A NCAC 13B .6227(g)

SSME RESPONSE: Nurse Call devices have been shown

7. Provide sprinkler shop drawings for cursory review.

SSME RESPONSE: Sprinkler Shop drawings will be provided during construction phase for your review.

8. Confirm that all sprinkler control valves will be labeled indicating function and area served. [NFPA 13 8.16.1.1.8].

SSME RESPONSE: All sprinkler control valves will be labeled and indicating functions and area served.

- 9. It appears the mechanical designer's intent is alter the smoke control system per NCSBC 909. Please provide the following items;
 - a. Indicate on the drawings the requirements for Special Inspections and acceptance testing as outlined in NCSBC 909.3, 909.18, and 909.18.8.

SSME RESPONSE: Requirements for Special Inspections and acceptance testing has been added to the documents

b. Verify that all fans have 1.5 times the number of belts required for the design duty. [NCSBC 909.10.5]

SSME RESPONSE: The exhaust fan for the smoke control system is specified to have 1.5 times the number of belts required for design duty.

 Indicate the location of the manual emergency stop switch to shut down the supply and return fans in case of an emergency. [NFPA 90A 6.2.1, NCMC 405.2]

SSME RESPONSE: The manual emergency stop switch to shut down the supply and return fans has been added to the plans.

11. Provide dampers where required by code to match the renovated LS plan.

SSME RESPONSE: Since the air handling unit is part of the smoke control system, dampers have been provide if required, but are largely not required due to the exceptions allowed for smoke control system.

12. All duct penetration of a floor/ceiling assembly must be protected with shaft. (NCSBC 716.6)

SSME RESPONSE: There are no ducts penetrating floor/ceiling assemblies requiring protection by a shaft. The duct is routed to the roof on the exterior of the building.

13. Indicate the proposed use of the patient rooms throughout the renovated area. If all rooms are proposed as protective isolation, an ante-room must be provided. (10A NCAC 13B .6201(5)(c)

SSME RESPONSE: The patient rooms throughout the renovated area are not designed to be used as Protective isolation rooms. Only Room 5C24 is designed as All/PE room.

14. Confirm room 5C24 is a combination AII/PE room.

SSME RESPONSE: Room 5C24 is designed as a combination AII/PE Room. The Ante room is positive pressured to the corridor and the patient room and pressure relationships are monitored between the patient room and ante room and between the ante room and corridor.

15. Verify the CFM values shown at each diffuser on the drawings. Currently some patient rooms appear highly negative while others are positive in relation to the corridor.

SSME RESPONSE: CFM values have been reviewed.

END OF COMMENTS / RESPONSES

Sincerely,

Carl Stupka, PE

Spring Stoops McCullen Engineering, PA



DEPARTMENT OF HEALTH AND HUMAN SERVICES DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER GOVERNOR

MANDY COHEN, MD, MPH SECRETARY

> MARK PAYNE DERECTOR

March 17, 2017

Pat Wall, Director of Plant Engineering (via e-mail only)
University of North Carolina Hospitals
101 Manning Drive
Chapel Hill, NC 27514

Re: Project No. HL-10763-MAB/BCM
FID No. 923517
SCO ID No. 16-16072-01A
University of North Carolina Hospitals
5th Floor Children's Hospital Renovation for Protective Environment

Chapel Hill (Orange County)

Dear Mr. Wall:

The engineering portion of design development drawings dated December 16, 2016 (received December 21, 2016; fee paid December 13, 2016 for SD submission) and updated Life Safety Plan dated February 22, 2017 (received via email February 22, 2017) for the referenced project has been reviewed for conformance with licensure rules for Hospitals (10A NCAC Chapter 13 Subchapter B). The engineering portion of the drawings is approved to the next level of submittal provided we receive satisfactory written responses to the following review comments with the next submittal:

- Provide color coded drawings for the CD submittal.
- 2. Verify that all critical and life safety branch circuits are mechanically protected per NCEC 517.30(C)(3).
- Confirm all lighting and receptacle branch circuits within patient care areas will meet the requirements of NCEC 517.13.
- Verify that normal and essential panels serving the project patient care vicinity are bonded using a minimum #10 AWG conductor. [NCEC 517.14]
- 5. Provide smoke detection at all areas open to the corridor including the nurse stations. [NCSBC 407.2.2]
- Indicate the location of all nurse call devices including, call stations, duty stations, nurse call master stations, dome lighting, and zone lighting. [NFPA 99 7.3.3.1, 10A NCAC 13B .6227(g)]



CONSTRUCTION SECTION

WWW.NCDHHS.GOV/DHSR
TEL 919-855-3893 • FAX 919-733-6592

DHSR

LOCATION: WILLIAMS BUILDING, 1800 UMSTEAD DRIVE • RALEIGH, NC 27603 MAILING ADDRESS: 2705 MAIL SERVICE CENTER • RALEIGH, NC 27699-2705 AN EQUAL OPPORTUNITY / AFFIRMITIVE ACTION EMPLOYER

- 7. Provide sprinkler shop drawings for cursory review.
- Confirm that all sprinkler control valves will be labeled indicating function and area served. [NFPA 13 8.16.1.1.8].
- 9. It appears the mechanical designer's intent is alter the smoke control system per NCSBC 909. Please provide the following items;
 - a. Indicate on the drawings the requirements for Special Inspections and acceptance testing as outlined in NCSBC 909.3, 909.18, and 909.18.8.
 - Verify that all fans have 1.5 times the number of belts required for the design duty. [NCSBC 909.10.5]
- 10. Indicate the location of the manual emergency stop switch to shut down the supply and return fans in case of an emergency.[NFPA 90A 6.2.1, NCMC 405.2]
- 11. Provide dampers where required by code to match the renovated LS plan.
- 12. All duct penetrations of a floor/ceiling assembly must be protected with a shaft. [NCSBC 716.6]
- 13. Indicate the proposed use of the patient rooms throughout the renovated area. If all rooms are proposed as protective isolation, an ante-room must be provided. [10A NCAC 13B .6201(5)(c)]
- 14. Confirm room 5C24 is a combination AII/PE room.
- 15. Verify the CFM values shown at each diffuser on the drawings. Currently some patient rooms appear highly negative while others are positive in relation to the corridor.

It is our understanding that this children's cancer patient treatment project was designed under the 2012 edition of the North Carolina State Building Codes as an 8,176-square-foot renovation in a partially sprinklered building of Type I-A construction under Group I-2 occupancy. The project has also been reviewed for Medicare/Medicaid certification under NFPA 101 Chapter 18, New Health Care Occupancies, within a building of NFPA Type I (332) construction. You may access licensure rules at our DHSR website: http://www.ncdhhs.gov/dhsr/testrules.htm.

Please use our Project No. HL-10763-MAB/BCM and FID No. 923517 on all correspondence related to this project. If you have any questions or if we can be of any further assistance, please contact our office at the telephone number or e-mail address listed below. Sincerely,

Brad C. Morris, PE

That C.M.

Engineering Plan Reviewer DHSR Construction Section

Brad.Morris@dhhs.nc.gov

919-855-3864

cc: University of North Carolina Hospitals – Cleopatrice Robinson, Steve Trimberger (via e-mail only)
Skinner Lamm & Highsmith Architects – David Henebry, Bill Highsmith (via e-mail only)
State Construction – Latif Kaid (via e-mail only)

Exhibit 4

