



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

April 11, 2018

Dee Jay Zerman
211 Friday Center Drive
Suite G014
Chapel Hill, NC 27517

Exempt from Review – Physician Office

Record #: 2558
Business Name: Health System Properties LLC
Business #: 2814
Project Description: Develop a physician office building in Chapel Hill
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 April 2, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §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 Agency's Construction and the Acute and Home Care Licensure and Certification Sections 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 the Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,


Bernetta Thorne-Williams
Project Analyst


Martha J. Frisone
Chief, Healthcare Planning and
Certificate of Need Section

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Amy Craddock, 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

Record # 2558
Bus # 2814



101 MANNING DRIVE
CHAPEL HILL, NC 27514 www.unchealthcare.org

April 2, 2018

Via Electronic Mail

Ms. Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health and Human Services
2704 Mail Services Center
Raleigh, NC 27699-2704



RE: Notice of Development of Exempt Physician Office Building / UNC Health Care System / Health System Properties LLC

Dear Ms. Frisone:

I am writing on behalf of the Health System Properties LLC. Health System Properties LLC is planning to develop a physician office building located at 100 Eastowne Drive, Chapel Hill, NC. The building will include several floors and be approximately 150,000 sf in size. Health System Properties LLC intends to lease and upfit space in the building to accommodate physician offices and other health system services. The proposed physician office building will provide much needed space for off-campus physician offices.

Health System Properties LLC is requesting confirmation that the development of the physician office building is exempt from review pursuant to G.S. 131E-184(a)(9). G.S. 131E-184(a)(9) allows for the CON Section to exempt the acquisition of 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. No new institutional health services will be offered at this site without a prior certificate of need application.

Please do not hesitate to contact me at 984-974-1243 if you need any additional information. Thank you for consideration of this matter.

Sincerely,


Dee Jay Zerman, Director of Regulatory Planning
UNC HCS

James T. Hedrick Building
211 Friday Center Drive, Ste G014
Chapel Hill, NC 27517