



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Service Regulation

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director

July 17, 2018

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

Exempt from Review

Record #: 2652
Facility Name: Novant Health Presbyterian Medical Center
FID #: 943501
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Develop a medical office building on the main hospital campus with a cost greater than \$2 million and develop an adjacent parking deck
County: Mecklenburg

Dear Ms. Gunter:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of July 11, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(g) and §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 the 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.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhs.gov/dhsr/ • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

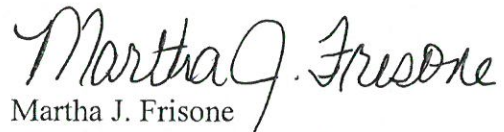
Denise M. Gunter
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Page 2

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

Sincerely,



Julie M. Faenza
Project Analyst



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

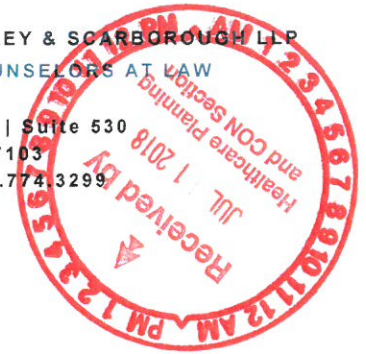
cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Amy Craddock, Assistant Chief, Healthcare Planning, DHSR



Denise M. Gunter
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 ATTORNEYS AND COUNSELORS AT LAW

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July 11, 2018

Hand Delivered

Martha J. Frisone, 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: Notice of Exemption for Two Projects Pursuant to N.C. Gen. Stat. § 131E-184

Facility Name: Novant Health Presbyterian Medical Center (NHPMC)
 FID #: 943501
 Business Name: Novant Health, Inc.
 Business #: 1341
 Project Description: Construct Heart and Vascular Institute and Cancer Center on the Main Campus of NHPMC, as well as a parking deck
 County: Mecklenburg

Dear Ms. Frisone:

Pursuant to N.C. Gen. Stat. §§ 131E-184(a)(4) and (g), this letter serves as prior written notice of two CON-exempt projects at NHPMC: (1) NHPMC’s intent to construct a Heart and Vascular Institute and Cancer Center on its main campus (the “HVI/CC Facility”); and (2) NHPMC’s intent to build a parking deck adjacent to the HVI/CC Project. Each project is discussed below.

Construct the HVI/CC Facility

The HVI/CC Facility will be a 7-story, approximately 257,000 square foot facility. Five of the floors will be built out and two of the floors will be shell space. The HVI/CC Facility will be located at the corner of East Fourth Street and Queens Road in Charlotte,



directly across the street from NHPMC. A diagram showing the site is attached as **Exhibit A**. A rendering of the proposed HVI/CC Facility is attached as **Exhibit B**. A second rendering showing the building and the parking deck is attached as **Exhibit C**. The total capital cost of the HVI/CC Facility, including the parking deck discussed below, is estimated to be \$165.6 million. NHPMC presently estimates that the HVI/CC Facility will be completed in 2020.

The HVI/CC Facility will house comprehensive heart and vascular and cancer outpatient services, including cardiovascular and cancer rehabilitation, radiation oncology, a chemotherapy infusion center and physician offices. A stacking diagram showing the services that will go on each floor of the HVI/CC Facility is attached as **Exhibit D**. In addition, because Presbyterian Medical Tower ("PMT") is adjacent to the proposed HVI/CC Facility, a connector will be built between the two buildings. The Breast Center in PMT will be renovated, and physician and administrative offices needed to support the HVI/CC Facility will be constructed in PMT. The costs for these portions of the project are included in the \$165.6 million estimate.

N.C. Gen. Stat. § 131E-184(g) provides that the Department shall exempt from CON review any capital expenditure that exceeds the \$2 million threshold in N.C. Gen. Stat. § 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 documentation to demonstrate that it meets the exemption criteria of this subsection.

N.C. Gen. Stat. § 131E-176(14n) defines "main campus" as:

- 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.

The HVI/CC Facility meets the requirements of N.C. Gen. Stat. § 131E-184(g) and N.C. Gen. Stat. § 131E-176(14n) because:

- (1) NHPMC is an existing health service facility (Hospital License # H0010) located at 200 Hawthorne Lane in Charlotte. See **Exhibit E**, the NHPMC 2018 License. The sole purpose of the HVI/CC Facility is to expand an existing health service facility that is located on the main campus. As shown in **Exhibit A**, the location of the HVI/CC Facility is between 125.7 and 127 feet of NHPMC, which is the main building. The distance was measured by civil engineers. PMT is also approximately the same distance from NHPMC. The main building is the location at which NHPMC provides clinical patient services and from which NHPMC exercises financial and administrative control over the entire facility. The administrative suite is on the first floor of NHPMC. See **Exhibit F**, a letter from Barbara L. Freedy, Director, Certificate of Need, Novant Health, Inc., documenting this. Ms. Freedy's letter was submitted to the Agency in March 2018 in connection with another NHPMC project, and the facts stated in that March 2018 letter remain true today.
- (2) This renovation project will 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) This letter constitutes the required prior written notice.

We would appreciate the Agency's written confirmation that the construction of the HVI/CC Facility is exempt from CON review.

Martha J. Frisone
July 11, 2018
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Construct a Parking Deck

NHPMC proposes to construct a 1,000 space parking deck that will be adjacent to the HVI/CC Facility. N.C. Gen. Stat. § 131E-184(a)(4) provides that upon prior written notice, the Department shall exempt from CON review projects that:

. . . 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 parking deck does not involve the construction of a new health service facility or portion thereof and that is subject to CON review. The parking deck is necessary to accommodate patients receiving treatment at the HVI/CC Facility as well the staff who will work in the HVI/CC Facility

We would appreciate the Agency's written confirmation that the foregoing parking deck construction is exempt from CON review.

If you need any further information, please let me know.

Thank you for your time and attention.

Sincerely,



Denise M. Gunter

Enclosures

Project No.	11081
Client	Novant Health
Architect	McGILLOCH ENGLAND ASSOCIATES ARCHITECTS
Date	07/28/17
Scale	AS SHOWN
Sheet	
Drawn By	
Checked By	
Approved By	

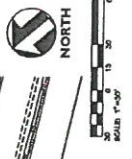
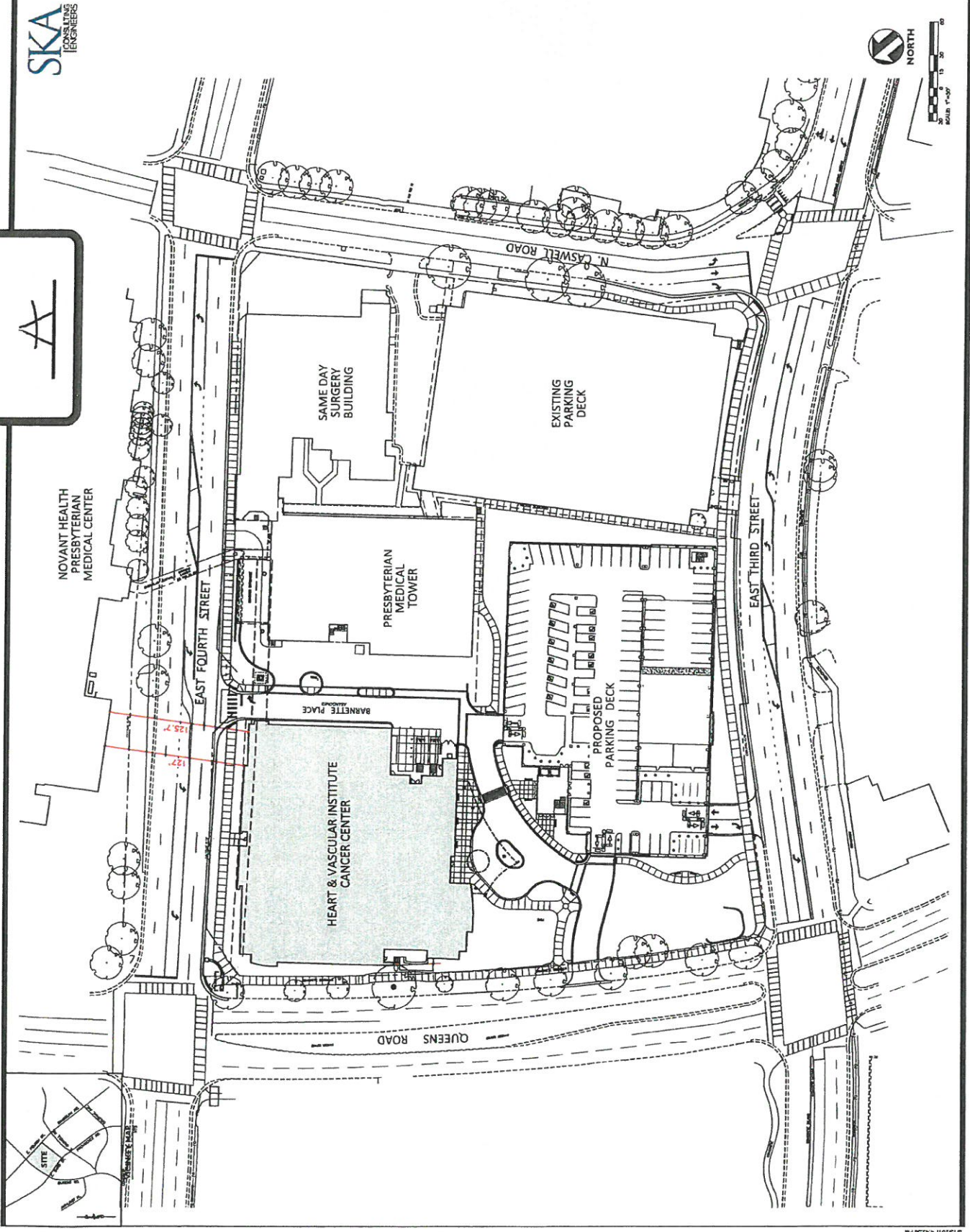
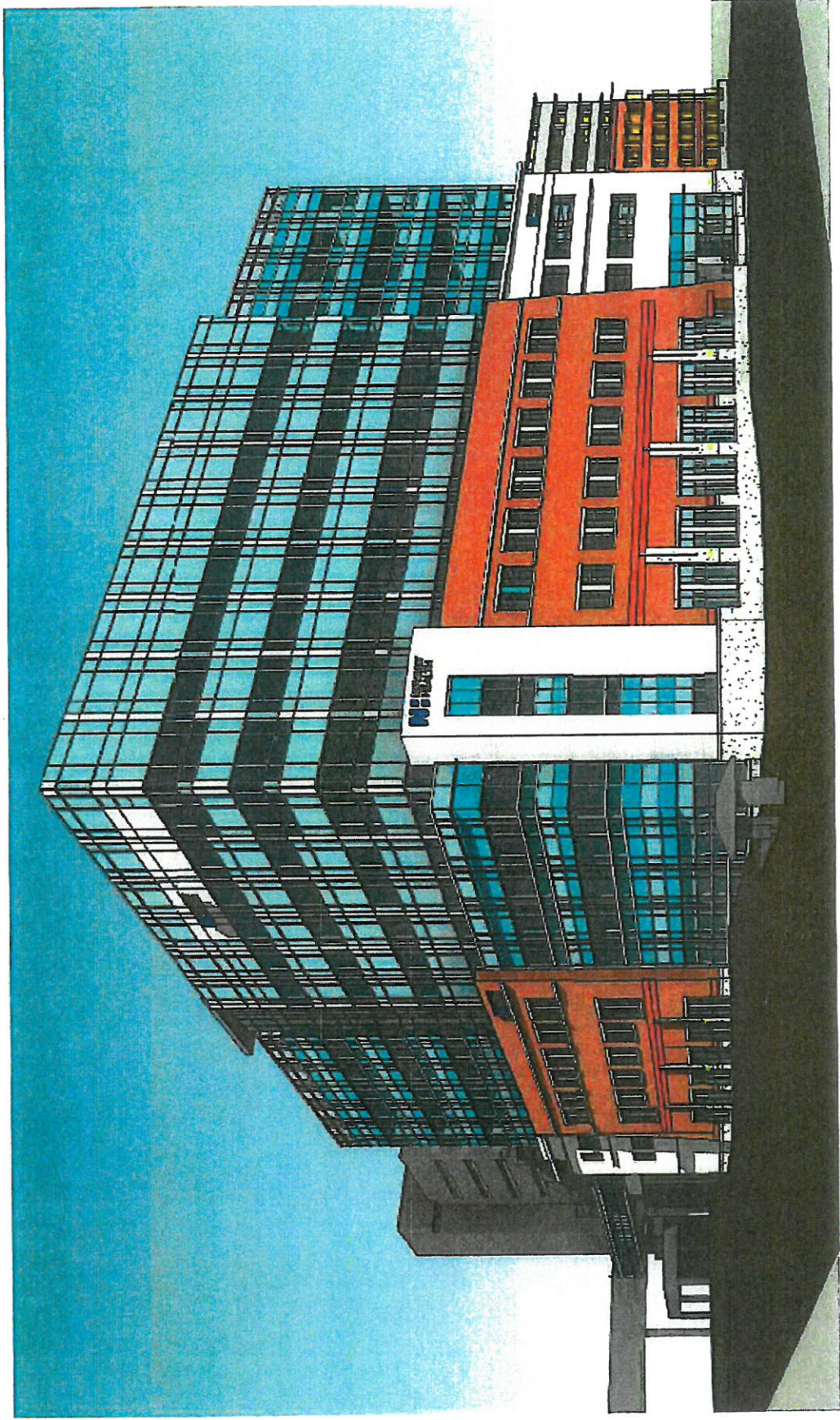


EXHIBIT
A



Building Rendering – Queens Road & Fourth Street

EXHIBIT
B

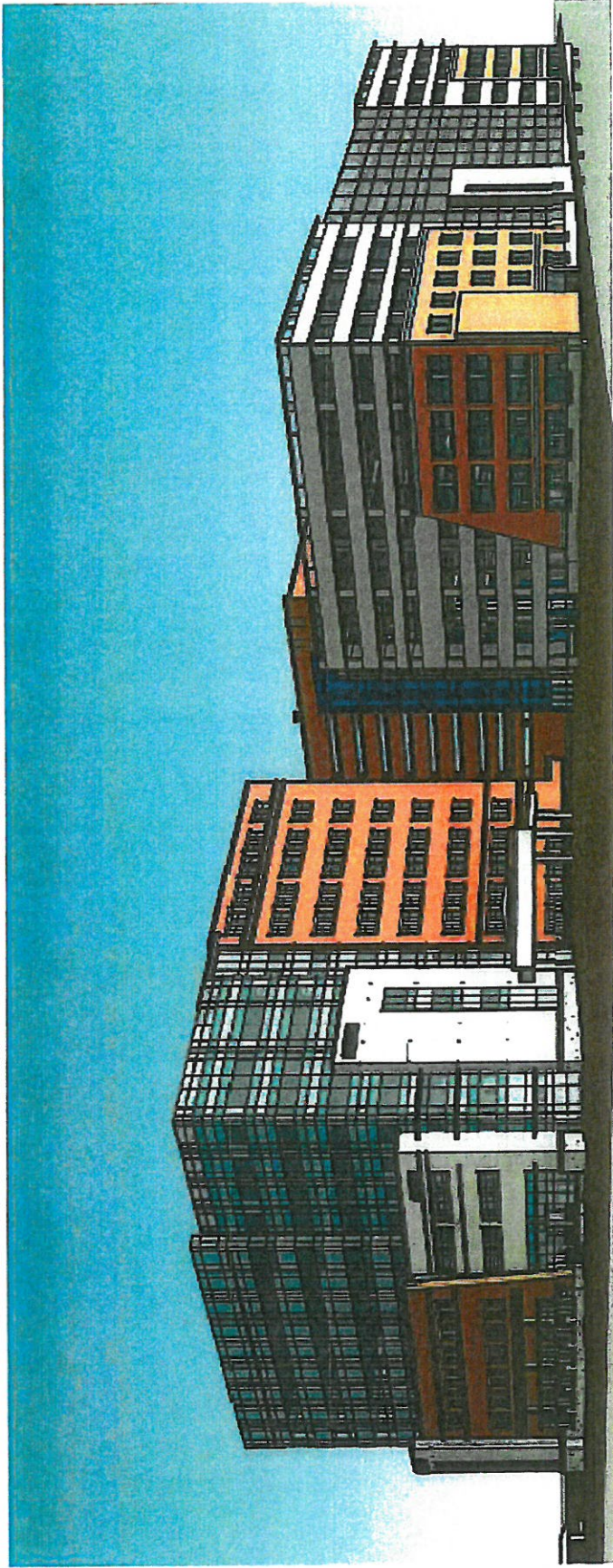


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HEALTH

Building Rendering – Queens Road and Third Street

EXHIBIT

C



N NOVANT
HEALTH

Stacking Diagram/Program

Square Footage:

- Total Building – 257,000 SF
- Upfit Floors – 187,000 SF
- Shelled Space – 70,000 SF

THIRD	Conference Center Cancer research Lab Cancer Administration Rehab and Prevention
SECOND	Adult Cardiology Cardiac & Vascular
FIRST	Radiation Onc Café Resource/Retail Meditation Retail Pharmacy Imaging Lab Lobby and Reception

SEVENTH	Adult Infusion Chemo Pharmacy Infusion Lab Shared break room, lockers, tlts Core and Back of House Shell exterior wall, unassigned
SIXTH	Medical Oncology Gyn Oncology Surgical Oncology Thoracic Oncology Multidisciplinary Clinic/supportive care Cancer support/research Shared lobby, business office, break, etc Core and Back of House
FIFTH	Shell
FOURTH	Shell



EXHIBIT

E

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 01, 2018, this license is issued to

The Presbyterian Hospital

to operate a hospital known as

Novant Health Presbyterian Medical Center

located in Charlotte, North Carolina, Mecklenburg 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: 943501

License Number: H0010

Bed Capacity: 672

*General Acute 567, Psych 75, Hospice 14,
Nursing: 16*

Dedicated Inpatient Surgical Operating Rooms: 6

Dedicated Ambulatory Surgical Operating Rooms: 6

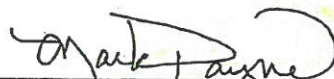
Shared Surgical Operating Rooms: 33

Dedicated Endoscopy Rooms: 9

Authorized by:



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



Director, Division of Health Service Regulation

EXHIBIT

F

March 9, 2018



Gloria Hale, Team Leader
Certificate of Need
Division of Health Service Regulation
809 Ruggles Dr. Raleigh, NC 27603

2085 Frontis Plaza Boulevard
Winston Salem, NC 27103

novanthealth.org

RE: Novant Health Presbyterian Medical Center Response to Agency's Question #2 for CON Exemption
Request for HOPD Novant Health Center City Outpatient Surgery

Dear Ms. Hale:

Per our March 9, 2018 phone call included is the response to question #2.

This letter is to provide documentation that the location of the proposed HOPD Center City Outpatient Surgery renovation project is on the main campus of Novant Health Presbyterian Medical Center where clinical patient services and financial and administrative control for all of Novant Health Presbyterian Medical Center is provided. The administrative suite is on the first floor of the main hospital at 200 Hawthorne Lane, Charlotte, NC.

Sincerely,

A handwritten signature in cursive script that reads 'Barbara L. Freedy'.

Barbara L. Freedy
Director, Certificate of Need
Novant Health, Inc.

File: ResponseCenterCityOutpatientSurgeryQuest2response.docx