



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

December 12, 2019

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

Exempt from Review

Record #: 3151
Facility Name: Carolinas Medical Center
FID #: 943070
Business Name: The Charlotte-Mecklenburg Hospital Authority
Business #: 1770
Project Description: Renovate Pediatric Emergency Department and Ambulatory Emergency Care Unit at Levine Children's Hospital
County: Mecklenburg

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 9, 2019**, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §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.

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: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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

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



Atrium Health



December 4, 2019

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

RE: Exemption Request for The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center (CMC) to Renovate the Pediatric Emergency Department and Ambulatory Emergency Care unit located on the 3rd Floor of Levine Children's Hospital on CMC's Main Campus

Dear Ms. Frisone:

I am writing to inform you of The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center's plan to renovate the pediatric emergency department ("ED") and ambulatory emergency care ("AEC") unit located on the 3rd floor of Levine Children's Hospital on CMC's main campus.

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."*

CMC's pediatric ED and AEC renovation project meets each of the applicable conditions set forth above. The estimated total capital cost of the project exceeds \$2,000,000 (see Attachment A for the capital cost worksheet). The proposed project involves the renovation of an existing health service

facility located at 1000 Blythe Boulevard, Charlotte, NC 28203, which is the site from which Carolinas Medical Center provides clinical patient services and exercises financial and administrative control over the entire facility (see Attachment B). Carolinas Medical Center's President's office is located on the second floor of the main hospital building. Please see a copy of Carolinas Medical Center's license in Attachment C.

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.

Pediatric ED Renovations

The proposed project involves renovation of the existing pediatric ED on the third floor of Levine Children's hospital. As part of this project, a vestibule will be added to the existing pediatric ED entrance, and the waiting and reception areas will be reconfigured in order to increase capacity. These areas will also undergo aesthetic upgrades to make the spaces more patient-friendly. The renovations also include repositioning and expanding the existing triage area to include two triage bays instead of one. Additionally, all pediatric ED exam rooms will undergo aesthetic upgrades, including wall painting and installation of new flooring and new ceiling tiles.

Pediatric AEC Unit Renovations

The proposed project also involves renovation and expansion of the existing pediatric ambulatory emergency care ("AEC") unit located on the third floor of Levine Children's hospital. The pediatric AEC unit functions as an extension of the ED and is often used to handle overflow from the main pediatric ED. The pediatric AEC unit currently has six exam rooms. As part of this project, the AEC unit will be reconfigured and expanded to include a total of ten exam rooms, all of which will be equipped with new finishings. Additionally, a nurses' station will be added to the center of the AEC space to increase efficiency and enhance care team collaboration.

Summary

Based on the above facts, the project is exempt from certificate of need review. We are requesting that you confirm in writing that Carolinas Medical Center's pediatric ED and AEC unit renovation project is exempt from certificate of need review and that we may proceed as planned with this project.

Sincerely,



Elizabeth Kirkman
Assistant Vice President
Atrium Health Strategic Services Group

cc: Callie Dobbins, Vice President & Facility Executive, Levine Children's Hospital

Attachment A

PROPOSED TOTAL CAPITAL COST OF PROJECT

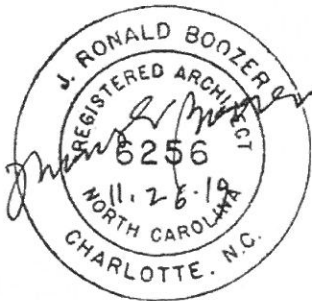
Project name: Atrium Levine Children's Hospital Pediatric ED + AEC
Provider/Company: Little Diversified Architectural Consulting

(1) Purchase price of land	_____
(2) Closing costs	_____
(3) Site Preparation	_____
(4) Construction/Renovation Contract	\$2,856,000
(5) Landscaping	_____
(6) Architect/Engineering Fees	\$246,000
(7) Medical Equipment	\$427,000
(8) Non Medical Equipment	_____
(9) Furniture	\$163,000
(10) Consultant Fees (CON Fees, Legal Fees)	_____
(11) Financing Costs	_____
(12) Interest During Construction	_____
(13) Other (IS, Security, Internal Allocation)	\$717,000
(14) Total Capital Cost	\$4,409,000

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

J. Ronald Boozier
(Signature of Licensed Architect or Engineer)

11.26.2019
DATE



Sales taxes have been included in these equipment costs. However, because Atrium Health is entitled to a sales tax refund under N.C. Gen. Stat. § 105-164.14(b) and 105-467, the sales tax that Atrium Health initially incurs for this medical equipment purchase will be refunded to Atrium Health, and thus will reduce the capital costs that Atrium Health actually incurs for the equipment by \$ \$26,555.19.

Attachment B

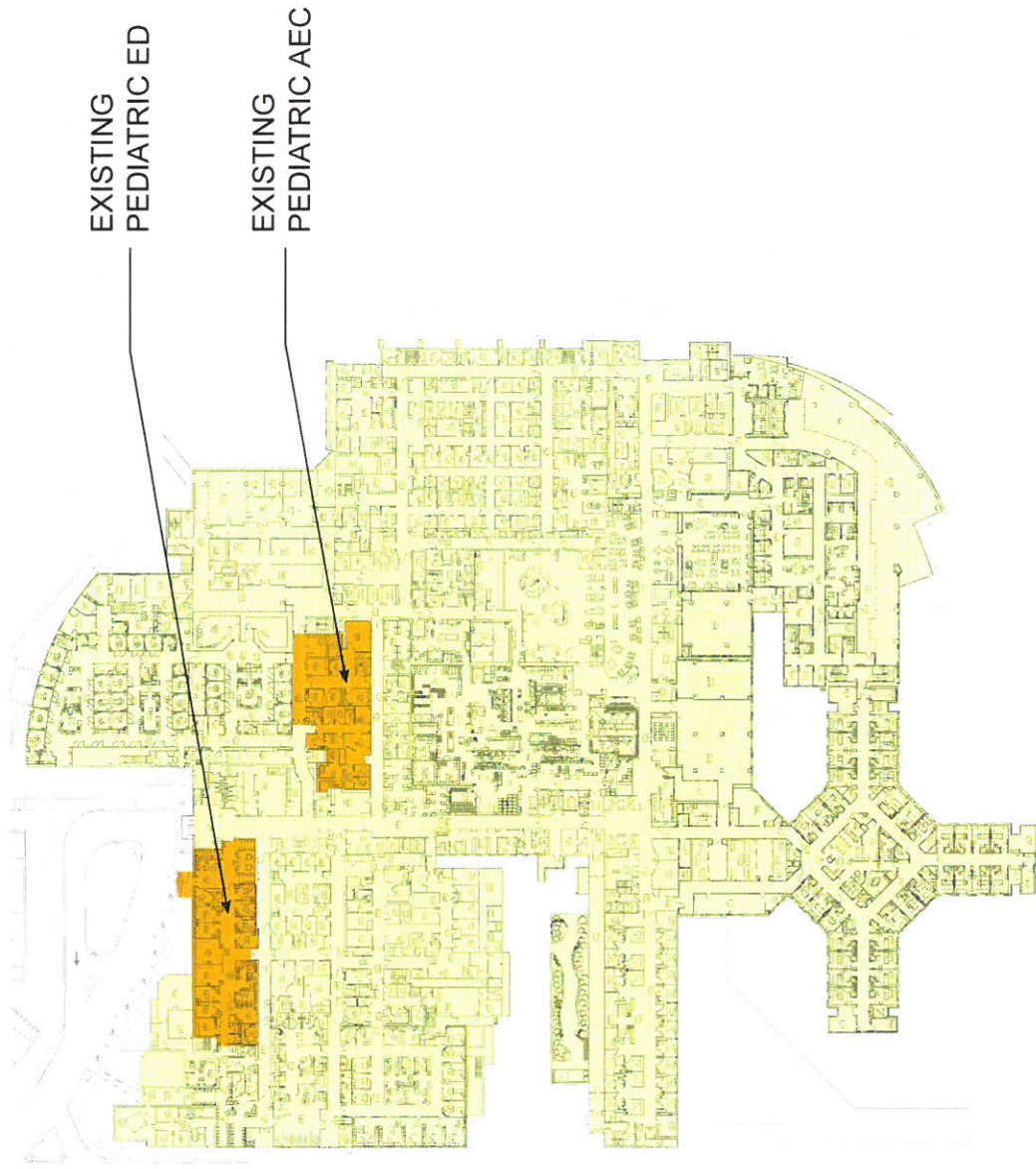
COLOR KEY

- EXISTING BUILDING
- RENOVATION
- UNDERGROUND WALKWAY



COLOR KEY

- EXISTING BUILDING
- RENOVATION



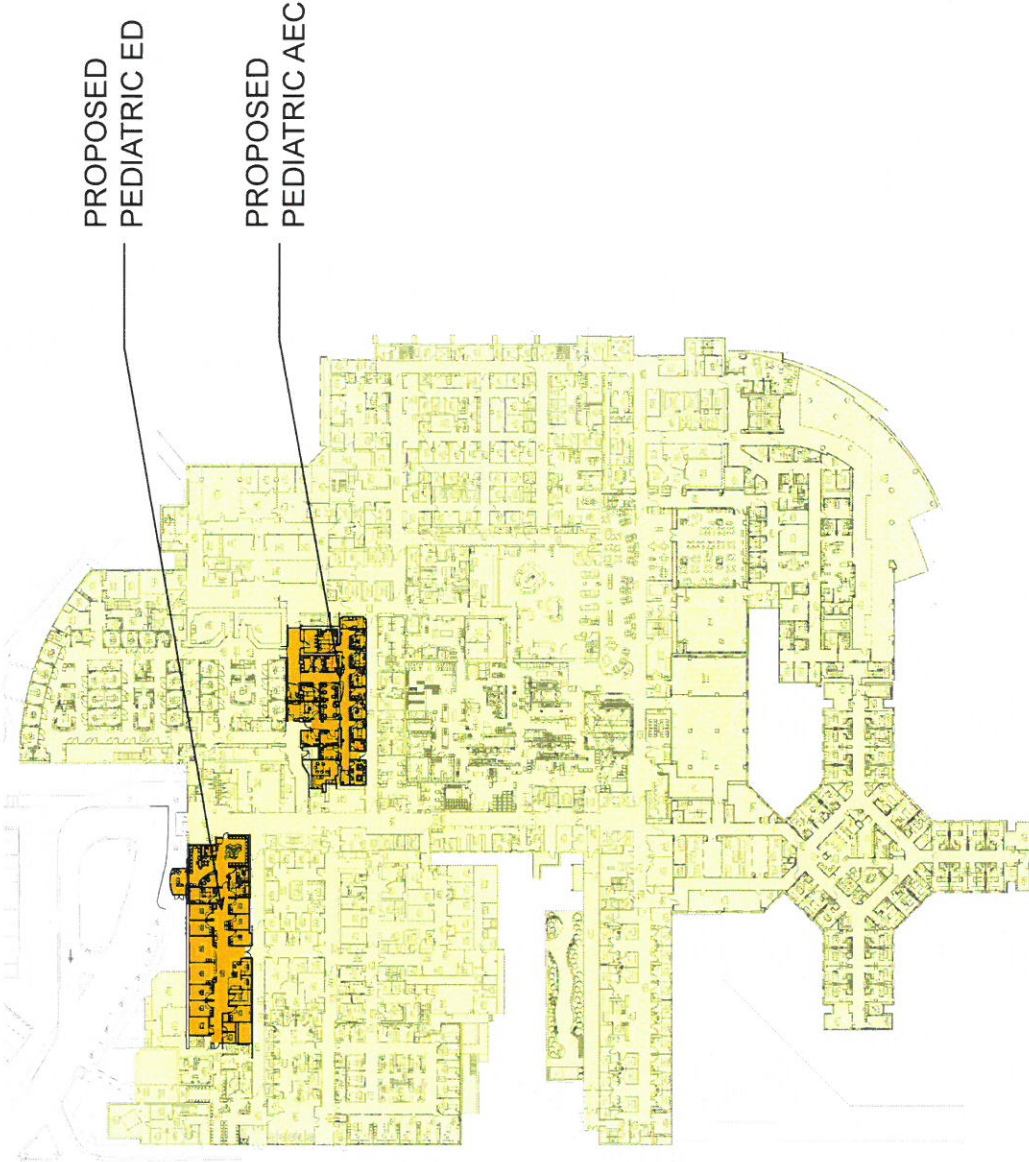
EXISTING
PEDIATRIC ED

EXISTING
PEDIATRIC AEC



COLOR KEY

- EXISTING BUILDING
- RENOVATION



PROPOSED LEVEL 03 PLAN
Atrium Health

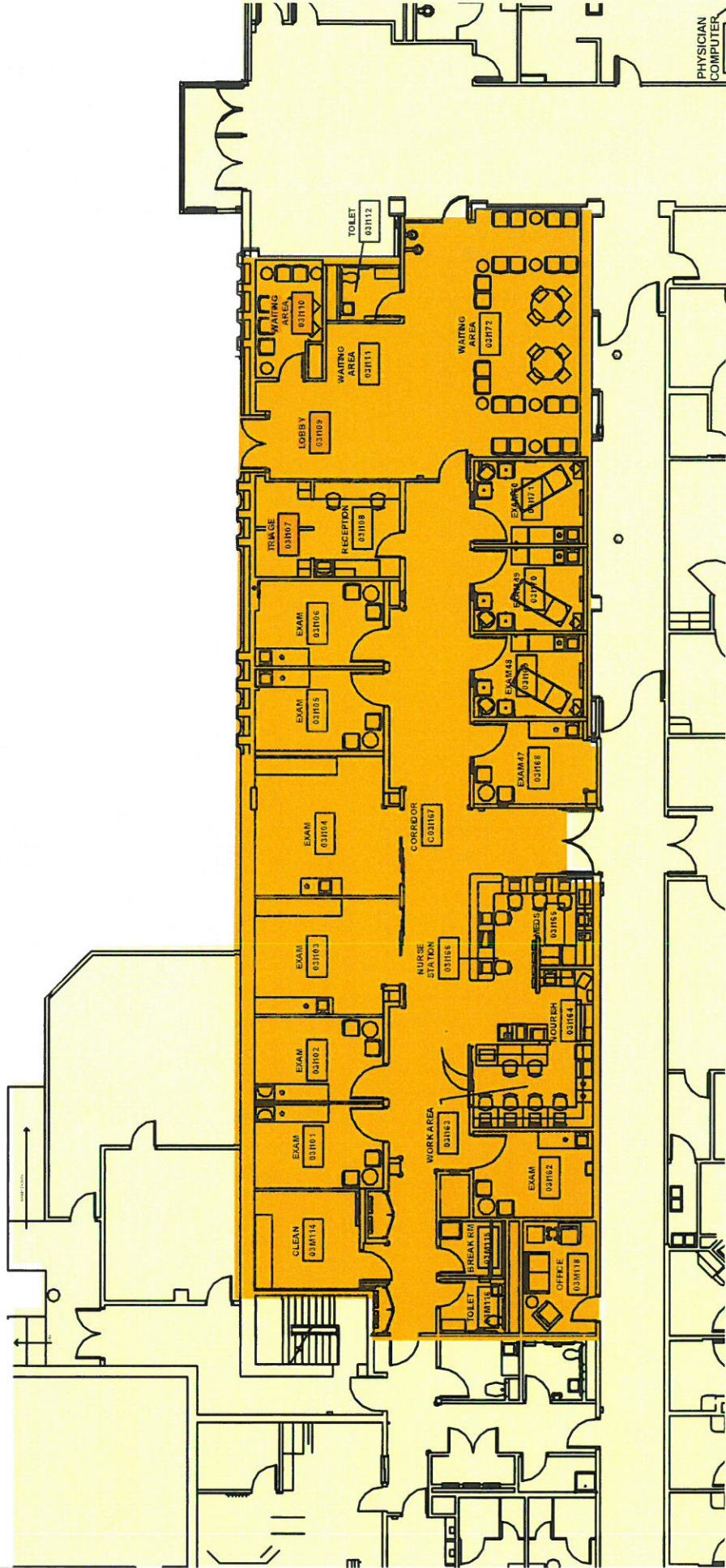
11/21/2019

PEDIATRIC ED & AEC RENOVATION
CAROLINAS MEDICAL CENTER



COLOR KEY

- EXISTING BUILDING
- RENOVATION



ENLARGED EXISTING LEVEL 03 PLAN - PEDIATRIC ED

Atrium Health

PEDIATRIC ED & AEC RENOVATION

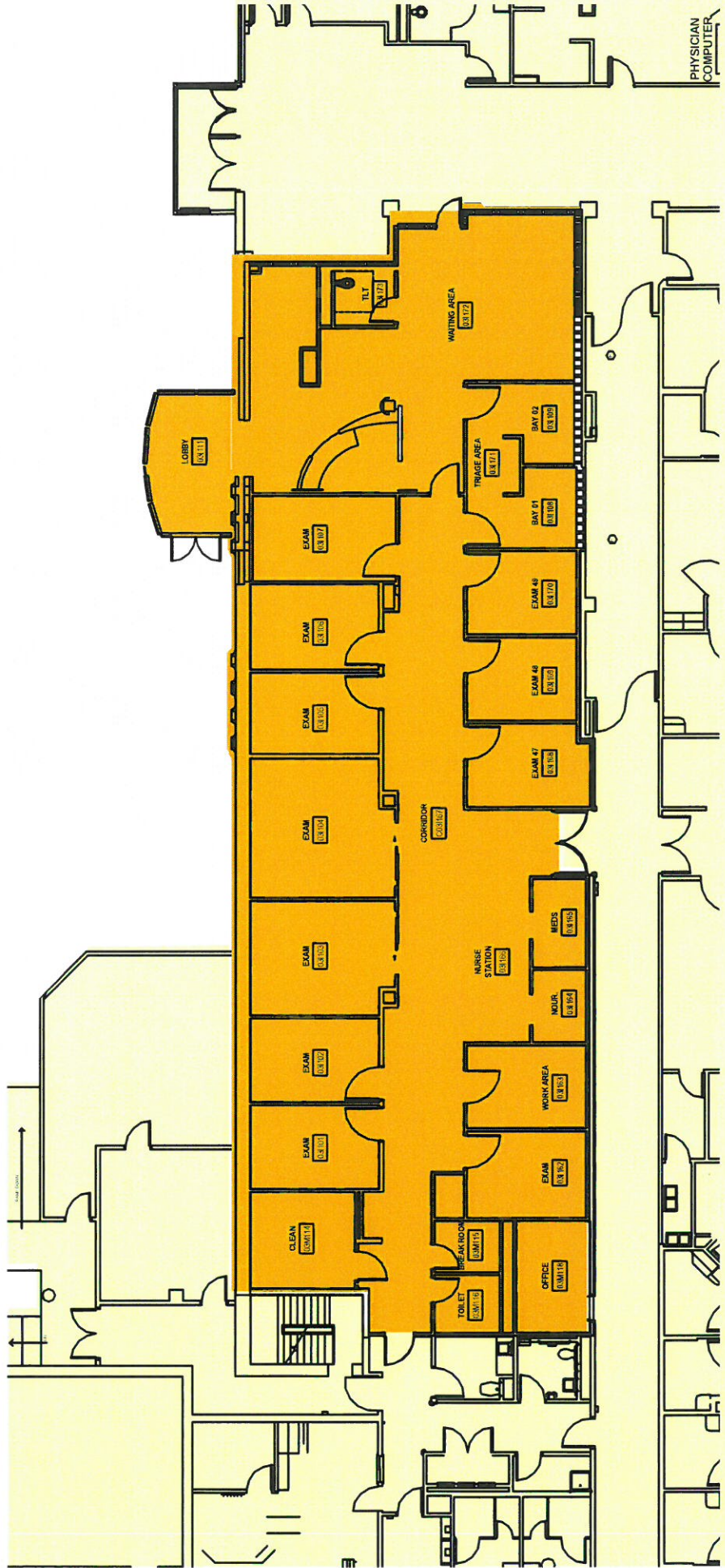
CAROLINAS MEDICAL CENTER

11/21/2019



COLOR KEY

- EXISTING BUILDING
- RENOVATION



ENLARGED PROPOSED LEVEL 03 PLAN - PEDIATRIC ED

Atrium Health

11/21/2019

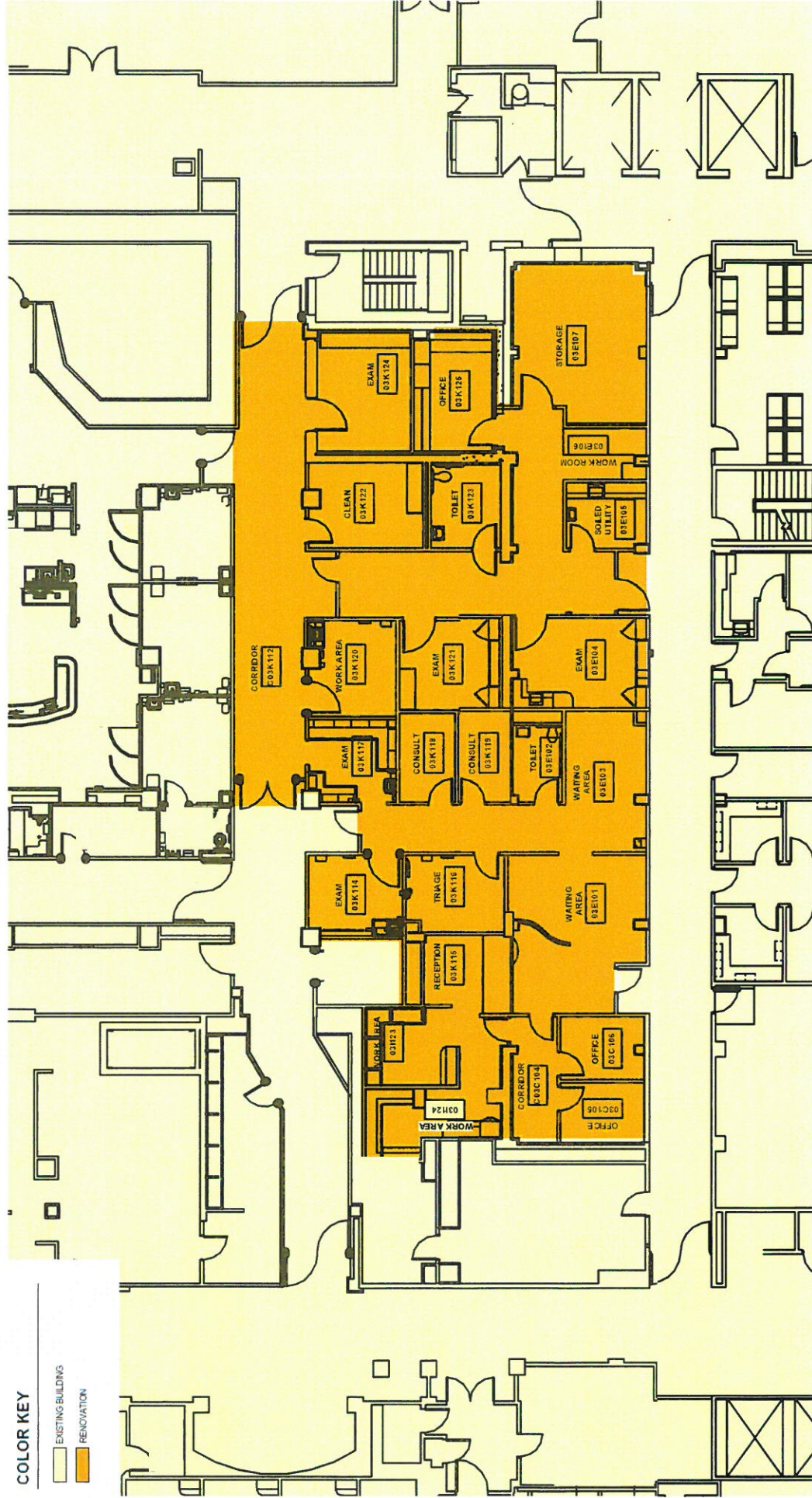
PEDIATRIC ED & AEC RENOVATION

CAROLINAS MEDICAL CENTER



COLOR KEY

- EXISTING BUILDING
- RENOVATION



ENLARGED EXISTING LEVEL 03 PLAN - PEDIATRIC AEC

Atrium Health

11/21/2019

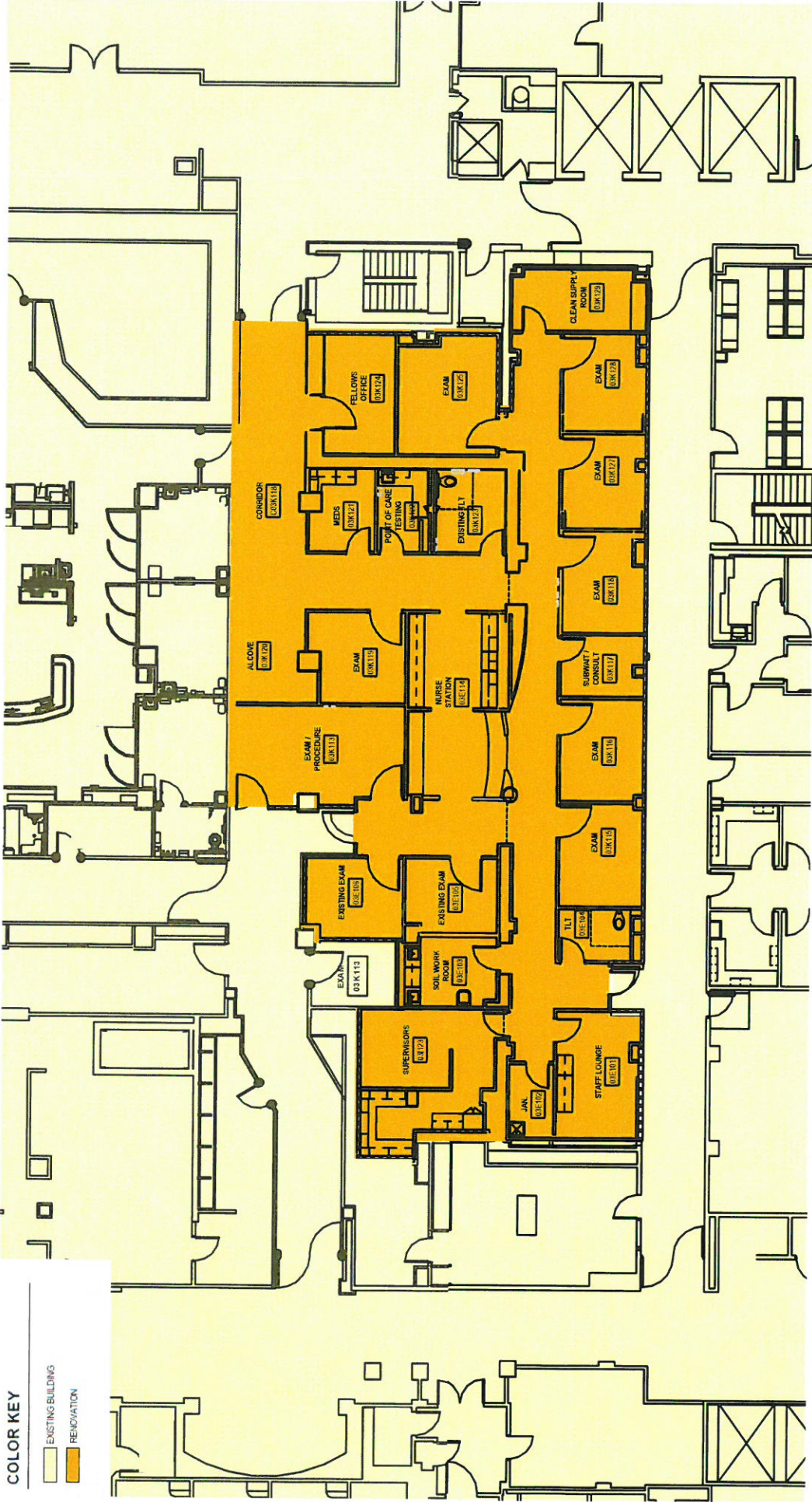
PEDIATRIC ED & AEC RENOVATION

CAROLINAS MEDICAL CENTER



COLOR KEY

- EXISTING BUILDING
- RENOVATION



ENLARGED PROPOSED LEVEL 03 PLAN - PEDIATRIC AEC

Atrium Health

11/21/2019

PEDIATRIC ED & AEC RENOVATION

CAROLINAS MEDICAL CENTER



Attachment C

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

*Effective September 17, 2019, this license is issued to
The Charlotte-Mecklenburg Hospital Authority*

*to operate a hospital known as
Carolinas Medical Center/Center for Mental Health
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: 943070

License Number: H0071

Bed Capacity: 1211

General Acute 1055, Rehabilitation 13, Psych 132, Substance Abuse 11,

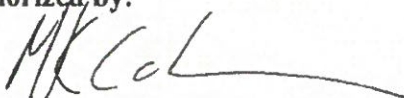
Dedicated Inpatient Surgical Operating Rooms: 10

Dedicated Ambulatory Surgical Operating Rooms: 9

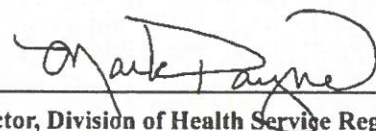
Shared Surgical Operating Rooms: 41

Dedicated Endoscopy Rooms: 12

Authorized by:



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



Director, Division of Health Service Regulation