



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

January 10, 2019

Elizabeth Frock Runyon
211 Friday Center Drive
Suite G015
Chapel Hill, NC 27517

Exempt from Review – Physician Office

Record #: 2835
Business Name: UNC Physicians Network, LLC
Business #: 2731
Project Description: Upfit within a physician office building
County: Johnston (fw)

Dear Ms. Runyon:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of January 8, 2019 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,

Fatimah Wilson
Fatimah Wilson
Team Leader

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

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR

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
www.ncdhhs.gov/dhsr • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



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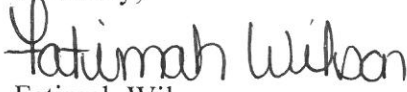
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Fatimah Wilson
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January 8, 2019

VIA ELECTRONIC MAIL ONLY

Bernetta Thorne-Williams
Certificate of Need Section
DHSR, DHHS
2704 Mail Services Center
Raleigh, NC 27699-2704
bernetta.williams@dhhs.nc.gov

RE: Notice of Exemption for Physician Office Building Upfit Costs

Dear Ms. Thorne-Williams:

I am writing on behalf of UNC Physicians Network ("UNCPN"), which is planning to incur costs in connection with the upfit of approximately 10,000 square feet of space within a physician office building. The building is being developed by an unrelated third party and will be located on Pineville Boulevard in Clayton, Johnston County. UNCPN intends to lease physician office space within the building. None of the services provided in the leased space will be hospital-based services.

We are requesting confirmation that the expenditure of capital in excess of \$2 million for the upfit of leased physician office space is exempt from review pursuant to N.C.G.S. § 131E-184(a)(9). In accordance with this statutory exemption, there will be no new institutional health service other than as defined in N.C.G.S. § 131E-176(16)b. offered or developed in this space without prior certificate of need approval. Please provide written confirmation that this proposal is exempt from CON review.

Please do not hesitate to contact me at 984-215-3622 if you need any additional information. Thank you for attention to this matter.

Sincerely,

Elizabeth Frock Runyon
System Director of Regulatory Affairs
Strategic Planning
UNC Health Care