



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

January 31, 2020

Maureen Demarest Murray
MMurray@foxrothschild.com

Exempt from Review – Physician Office

Record #: 3202
Business Name: Blue Ridge Healthcare Hospitals, Inc.
Business #: 2125
Project Description: Develop a medical office building at 1208 Hickory Boulevard in Lenoir
County: Lenoir

Dear Ms. Murray:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of January 17, 2020, 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,

Signature of Ena Lightbourne
Ena Lightbourne
Project Analyst

Signature of Martha J. Frisone
Martha J. Frisone
Chief

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, 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
https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873



Fox Rothschild LLP
ATTORNEYS AT LAW

300 N. Greene Street
Suite 1400
Greensboro, NC 27401
Tel (336) 378-5200 Fax (336) 378-5400
www.foxrothschild.com

MAUREEN DEMAREST MURRAY
Direct No: 336.378.5258
Email: MMurray@Foxrothschild.com



January 17, 2020

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

Via E-Mail

Re: Carolinas Healthcare System Blue Ridge Notice of Exempt Medical Office Building

Dear Ms. Frisone:

We represent Blue Ridge Healthcare Hospitals, Inc. d/b/a Carolinas Healthcare System Blue Ridge (“Blue Ridge”). This letter provides prior written notice that Blue Ridge plans to upfit and develop the existing building located at the property address of 1208 Hickory Boulevard, Lenoir, North Carolina (the “Property”), into an exempt medical office building.

The Property consists of a 36,655 square foot shell building (the “Building”) that is suitable for a medical practice and is currently owned by D&H Real Estate, LLC. Blue Ridge currently leases 13,000 square feet of the Building from D&H Real Estate, LLC and intends to develop and upfit 12,849 square feet into a medical office building to be available for use as a family medicine practice. The developed area will provide space for, among other uses, physician offices, and physician office based examination, procedure, and recovery rooms for family and urgent or express care. Blue Ridge also intends to develop an additional 1,812 square feet as an expansion in the Building’s remaining available space, for a total square footage usage of 14,661 square feet, for the same purposes. Blue Ridge is not proposing to provide any hospital based services in the medical office building at this time. A rough estimate of the anticipated total capital cost for upfitting the Property to be a medical office building is \$1,390,831.

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota Nevada
New Jersey New York North Carolina Pennsylvania South Carolina Texas Virginia Washington



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Martha Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
January 17, 2020
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The purpose of the medical office building is to relocate Blue Ridge's existing Lenoir based family medical practice into the medical office building as well as potentially create an express or urgent care area to create more efficient operation of Blue Ridge's family care practice, increase patient and staff satisfaction and decrease operational costs. Blue Ridge expects the medical office building will provide patients in the Lenoir area with greater access to low cost primary and urgent care.

Development or acquisition of a medical office building is exempt from certificate of need review under N.C.G.S. §131E-184(a)(9), regardless of cost, provided prior written notice is given to the Healthcare Planning and Certificate of Need Section. We would appreciate your prompt acknowledgment that this proposed development is exempt from certificate of need review under N.C.G.S. §131E-184(a)(9).

Please let us know if you have any questions.

With kind personal regards, I am

Very truly yours,

Fox Rothschild LLP


Maureen Demarest Murray

Waller, Martha K

From: Frisone, Martha
Sent: Friday, January 17, 2020 4:40 PM
To: Waller, Martha K
Subject: FW: [External] Blue Ridge MOB Exemption Notice
Attachments: 106943275_2_Blue Ridge Lenoir Family Practice MOB Exemption Letter 011720-C2.PDF

Martha J. Frisone

Chief

Division of Health Service Regulation, Healthcare Planning and Certificate of Need
NC Department of Health and Human Services

Office: 919-855-3879
martha.frisone@dhhs.nc.gov

809 Ruggles, Edgerton
2704 Mail Service Center
Raleigh, NC 27699-2704

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From: Murray, Maureen Demarest <MMurray@foxrothschild.com>
Sent: Friday, January 17, 2020 4:38 PM
To: Frisone, Martha <martha.frisone@dhhs.nc.gov>
Subject: [External] Blue Ridge MOB Exemption Notice

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Good afternoon Martha,

Please see attached an exemption notice for upfitting of a medical office building for an existing family practice in Lenoir on behalf of Carolinas Healthcare System Blue Ridge.

Please let us know if you have any questions. Have a great weekend, Maureen

Maureen Demarest Murray
Partner
Fox Rothschild LLP
300 N Greene Street
Suite 1400
Greensboro, NC 27401
(336) 378-5258 - direct
(336) 378-5400 - fax

MMurray@foxrothschild.com
www.foxrothschild.com

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