



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

March 30, 2020

Denise M. Gunter

Denise.gunter@nelsonmullins.com

Exempt from Review

Record #: 3246

Facility Name: FirstHealth Moore Regional Hospital

FID #: 943358

Business Name: FirstHealth of the Carolinas, Inc.

Business #: 737

Project Description: Develop a new comprehensive outpatient cancer center 150 yards from the main hospital campus and relocate two existing linear accelerators and one CT simulator from the main hospital to the cancer center

County: Moore

Dear Ms. Gunter:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of **March 25, 2020**, 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.

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

Sincerely,

Tanya M. Saporito
Project Analyst

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

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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March 25, 2020

Via Email

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: FirstHealth of the Carolinas, Inc. d/b/a FirstHealth
Moore Regional Hospital
FID #: 943358
Business Name: FirstHealth of the Carolinas, Inc.
Business #: 737
Project Description: Construct a Cancer Center on the Main Campus of
FirstHealth Moore Regional Hospital, as well as
parking
County: Moore

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 FirstHealth Moore Regional Hospital ("FMRH") in Pinehurst: (1) FMRH's intent to construct an Outpatient Cancer Center on its main campus (the "Outpatient Cancer Center"); and (2) FMRH's intent to build a parking deck connected to the Outpatient Cancer Center via a covered walkway as well as surface parking. Each project is discussed below.

Construct the Outpatient Cancer Center

The Outpatient Cancer Center involves construction of an approximately 120,000 SF 4-story building on a 6.23-acre tract. The Outpatient Cancer Center will provide convenient and expanded access to services and offer support for patients from the point of diagnosis, throughout treatment and ultimately survivorship, as a centralized care setting for FMRH's patients and their families. FMRH will move two existing linear accelerator units from FMRH's existing Hospital into the new Outpatient Cancer Center upon completion. The new Outpatient Cancer Center will also house the following services: Medical Oncology, Radiation Oncology, CT Simulator, Palliative Care, Chemo Pharmacy, Food Service and other ancillary services. The CT Simulator is an existing CT Simulator; FMRH does not propose to acquire an additional CT Simulator as part of this project.

The site is located on the eastern side of the intersection of Page Road North and Page Drive and extends to Avimore Drive. The Outpatient Cancer Center will face Page Road North with a Parking Deck connected via a covered walkway located to the north. There will be additional ground-level parking to the front and side of the Outpatient Cancer Center, and at the eastern portion of the site, connecting to Avimore Drive. The new Outpatient Cancer Center will be located approximately 130 yards away from FMRH's main campus. See **Exhibit A**. A campus map with street names is attached as **Exhibit B**. The total project cost for the Outpatient Cancer Center is approximately \$75,000,000. The Cancer Center construction will commence upon completion of the parking deck (early 2021) with completion slated for the end of 2022.

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 Outpatient Cancer Center meets the requirements of N.C. Gen. Stat. § 131E-184(g) and N.C. Gen. Stat. § 131E-176(14n) because:

- (1) FHMRH is an existing health service facility (Hospital License # H0100) located at 155 Memorial Drive in Pinehurst. The sole purpose of the Outpatient Cancer Center is to expand an existing health service facility that is located on the main campus. As shown in **Exhibit A**, the location of the Outpatient Cancer Center is within 130 yards of FHMRH. This distance was measured by FirstHealth's architect. FHMRH is the main building from which FMRH provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building
- (2) Construction of the Outpatient Cancer Center 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 Outpatient Cancer Center is exempt from CON review.

Martha J. Frisone
March 25, 2020
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Construct a Parking Deck and surface parking

FMRH proposes to construct a 415-space 4-Level Parking Deck that will be connected to the Outpatient Cancer Center. There will be additional ground-level parking to the front and side of the Cancer Center, and at the eastern portion of the site, connecting to Aviemore Drive. The parking deck is shown on **Exhibit A**.

N.C. Gen. Stat. § 131E-184(a)(4) provides that upon prior written notice, the Department shall exempt from CON review projects to:

. . . 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 and surface parking do not involve the construction of a new health service facility or portion thereof and that is subject to CON review. The parking deck and surface parking are necessary to accommodate patients receiving treatment at the Outpatient Cancer Center as well the staff who will work in the Outpatient Cancer Center. The construction of the parking deck is scheduled to commence the summer of 2020 with completion by early 2021.

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

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

Thank you for your time and attention.

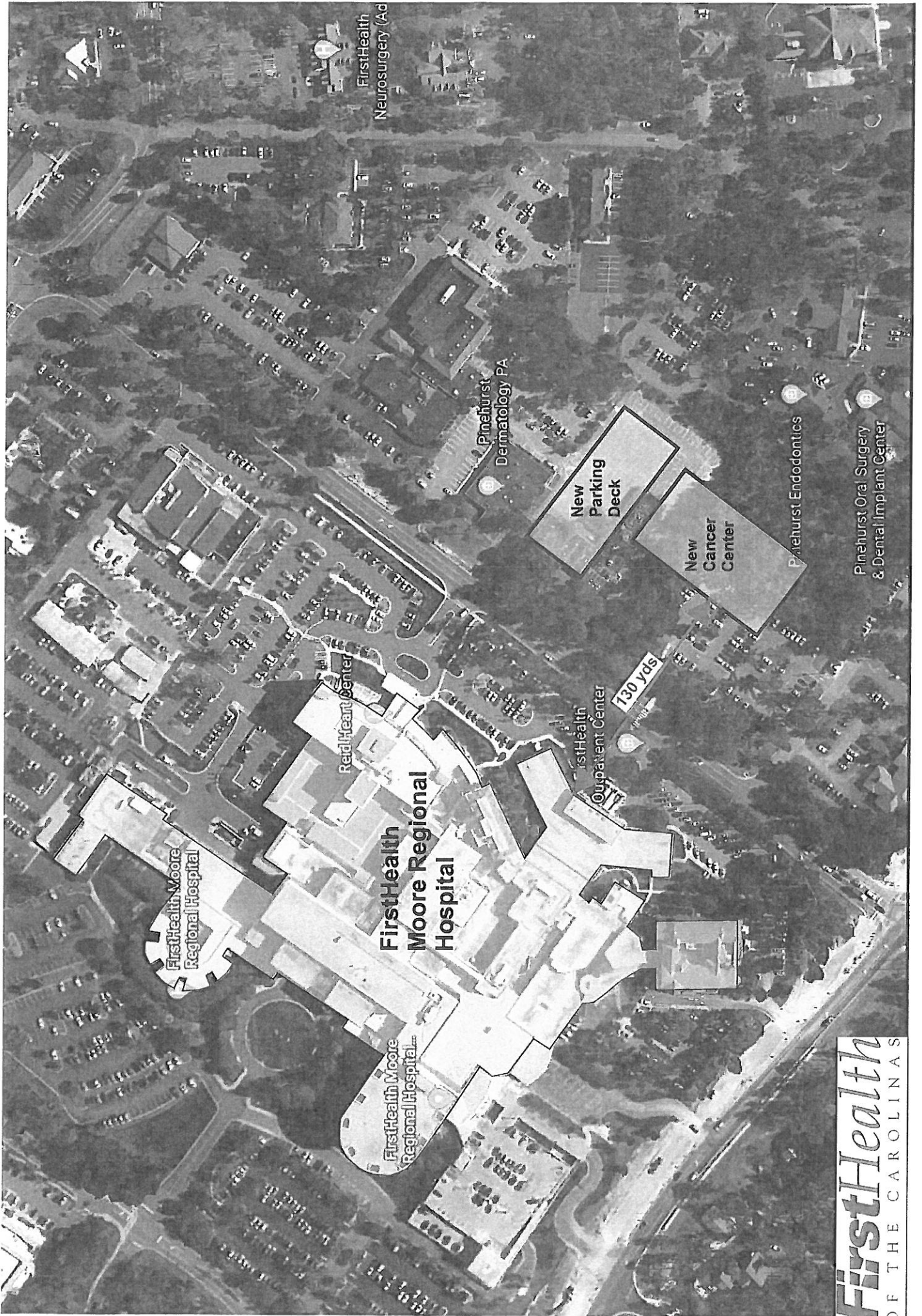
Sincerely,



Denise M. Gunter

Enclosures

Exhibit A



FirstHealth
Neurosurgery (Ac)

Pinchurst
Dermatology PA

New
Parking
Deck

New
Cancer
Center

Pinehurst Endodontics

Pinehurst Oral Surgery
& Dental Implant Center

Reid Heart Center

FirstHealth
Outpatient Center

130 yds

FirstHealth Moore
Regional Hospital

FirstHealth
Moore Regional
Hospital

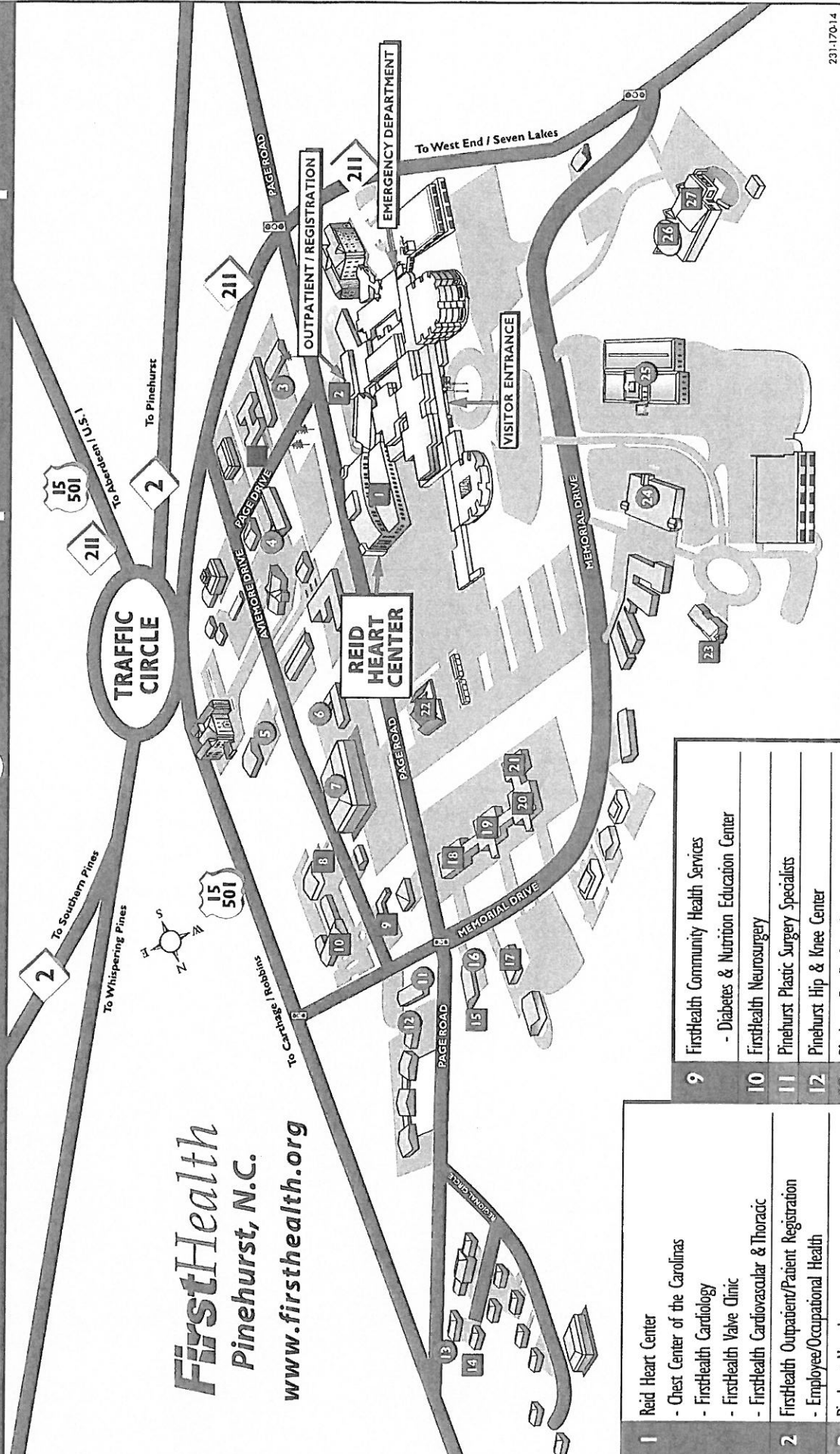
FirstHealth Moore
Regional Hospital

FirstHealth
OF THE CAROLINAS

Exhibit B

FirstHealth Moore Regional Hospital Area Map

FirstHealth
Pinehurst, N.C.
www.firsthealth.org



23117014

1	Reid Heart Center - Chest Center of the Carolinas - FirstHealth Cardiology - FirstHealth Valve Clinic - FirstHealth Cardiovascular & Thoracic
2	FirstHealth Outpatient/Patient Registration - Employee/Occupational Health
3	Pinehurst Neurology
4	Pinehurst Oral Surgery
5	Mid-South Orthopaedics
6	Pinehurst Dermatology
7	Pinehurst Medical Clinic
8	FirstHealth Rehabilitation-Aviemore

9	FirstHealth Community Health Services - Diabetes & Nutrition Education Center
10	FirstHealth Neurosurgery
11	Pinehurst Plastic Surgery Specialists
12	Pinehurst Hip & Knee Center
13	Pinehurst Family Care Center
14	FirstHealth Cardiology
15	FirstHealth Outpatient Imaging
16	Pinehurst Radiology Associates
17	FirstCarolinaCare Insurance Company

18	FirstHealth Specialty Centers Building 18 - Infectious Diseases 18 - Transition Care Clinic 19 - Back & Neck Pain 19 - FirstHealth Patient Accounts 20 - Behavioral Services Clinic 21 - Wound Care & Hyperbarics
22	FirstHealth Outpatient Cancer Center
23	Clara McLean House
24	Surgery Center of Pinehurst
25	Pinehurst Surgical
26	FirstHealth Fitness
27	FirstHealth Rehabilitation-Moore Rehab