



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

February 2, 2021

Andrea Gymer
amgymer@novanthealth.org

Exempt from Review

Record #: 3472
Date of Request: January 27, 2021
Facility Name: Novant Health Forsyth Medical Center
FID #: 923174
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Master Facility Plan Phase 2: Critical Care Tower Construction, including the relocation of the Behavioral Health Emergency Department and the Hemodialysis Department
County: Forsyth

Dear Ms. Gymer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(g). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

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,

Celia C. Inman
Project Analyst

Lisa Pittman
Assistant Chief, Certificate of Need

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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



VIA EMAIL

January 27, 2021

Novant Health

2085 Frontis Plaza Drive
Winston-Salem, NC 27103

Martha J. Frisone, Chief
Healthcare Planning & Certificate of Need Section
Division of Health Service Regulation, NC DHHS
2704 Mail Service Center
Raleigh, North Carolina 27699-2704

RE: Novant Health Forsyth Medical Center Master Facility Plan Phase 2: Critical Care Tower Construction; FID# 923174; Forsyth County

Dear Ms. Frisone:

Pursuant to N.C.G.S § 131E-184(g), I am writing to provide prior written notice that Novant Health Forsyth Medical Center (NHFMC) is continuing its Master Facility Plan upgrades and renovations and intends to construct a Critical Care tower on the main campus. The Master Facility Plan is a long term plan which will be phased in over multiple years. This letter concerns Phase 2 of the project. Phase 1 of the Master Facility Plan was deemed exempt from Certificate of Need review per the April 11, 2019 letter included as Attachment A.

The upgrades planned in Phase 2 involve the construction of a new five-floor Critical Care Tower to be located in the space where the Whitaker Rehabilitation Center building (“Whitaker Building”) was located. The demolition of the Whitaker Building was deemed exempt in the previous April 11, 2019 letter included in Attachment A as previously mentioned. The new Critical Care Tower project includes:

- Ground Floor – Relocation and Consolidation of the Sterile Processing Department
- First Floor – Relocation of Four Existing Operating Rooms and Surgical Support Spaces
- Second Floor – Development of a Dedicated Observation Bed Unit
- Third Floor – Relocation of Existing Acute Care Beds
- Fourth Floor – Relocation of Existing Acute Care Beds

In addition to the Critical Care Tower project, Phase 2 of NHFMC’s Master Facility Plan will include the relocation of the existing Behavioral Health Emergency Department and the relocation of the existing Hemodialysis Department.

NHFMC was founded in 1887 and opened at its current location on Silas Creek Parkway in 1964. Phase 1 of the Master Facility Plan was the first significant capital investment at the medical center since the North Tower of the hospital opened in 2007. The Master Facility Plan is ongoing and involves enhancing the infrastructure at NHFMC. As part of Phase 1, the Whitaker Building is being demolished to make way for the construction of a new Critical Care Tower.

The new Critical Care Tower will house the above mentioned areas in a relocation from the General Tower built in 1964 and the East Tower completed in 1976. The new, modern space will be built to the latest healthcare facility standards and building codes. It will improve patient flow and the overall patient experience while providing NHFMC with the flexibility to increase both intermediate and critical care capacity.

Relocation and Consolidation of the Sterile Processing Department

Through the years, the Sterile Processing functions have become scattered across multiple floors of the General Tower. The relocation and consolidation of Sterile Processing from the Ground, First, and Fourth floors to the Ground Floor of the new Tower will create greater efficiency and improved workflow. The new Sterile Processing Department will include state of the art equipment and technology which will improve surgical services flow and ensure patient safety related to sterile processing.

Relocation of Four Operating Rooms and Surgical Support Spaces

Four existing operating rooms are to be relocated from the current Surgical Services on the First Floor directly behind where the Whitaker Building had been located to the First Floor of the new Critical Care Tower. The existing operating room space is outdated and relocating the rooms is more cost effective than trying to update the rooms in their current location. The new operating rooms will be appropriately sized and updated for the latest technology and advances in surgical procedures. New pre- and post-surgery space will be constructed and a new Post Acute Care Unit (PACU) recovery unit will be built to support the relocated operating rooms.

Development of a Dedicated Observation Unit

NHFMC intends to develop a 36 bed observation unit on the Second Floor of the new Critical Care Tower. These beds will be unlicensed, dedicated observation beds where patients are monitored or undergo further testing to determine if they should be admitted as an inpatient or are able to be released. Creating a dedicated observation unit will free up licensed acute care beds at FMC for inpatients since observation patients are now held in any appropriate acute care bed. This will improve capacity and patient flow at NHFMC and increase patient and staff satisfaction.

Relocation of Existing Acute Care Beds

The Third and Fourth Floors of the new Critical Care Tower will include 60 existing licensed acute care beds (30 beds on each floor) to be relocated from the General and East Tower of NHFMC. The General and the East Tower were opened in 1964 and 1976, respectively. These older towers have undergone much renovation and upgrades through the years; however, it has come to the point that it is more cost effective and necessary to utilize newly constructed space for patient bedrooms. The bedrooms in the new Critical Care Tower will be sized to modern inpatient standards and include updated technology to enhance NHFMC's already outstanding safety and quality criteria. The new inpatient care units will allow flexibility for intermediate and critical care patients.

Please refer to Attachment B for a campus map of NHFMC to orient to the existing buildings and the new Critical Care Tower.

Relocation of the Behavioral Health Emergency Department

Phase 2 of NHFMC's Master Facility Plan also includes the relocation of the Behavioral Health Emergency Department to a new location closer to the Emergency Department. The current Lambeth Theater located in the NHFMC Conference Center area will be closed and that space converted to the Behavioral Health Emergency Department. The new location will allow for better patient privacy, safety, and patient flow for those in need of behavioral health services.

Relocation of Inpatient Hemodialysis Department

For many years, NHFMC has offered inpatient hemodialysis to those patients needing this life-saving service. Inpatient dialysis has been provided prior to any Certificate of Need requirements and, as such, is NHFMC is grandfathered in to continue inpatient hemodialysis. As part of Phase 2 of the Master Facility Plan, the existing inpatient hemodialysis department is to be relocated from its location on the First Floor of NHFMC to the space that will be vacated by the existing Behavioral Health Emergency Department.

NHFMC intends to begin this project in the last quarter of 2021 and anticipates it will take approximately twenty-four months to complete.


NHFMC believes the proposed projects satisfy the criteria set forth in N.C.G.S § 131E-184(g) and is therefore exempt as follows:

- 1) The sole purpose of the proposed project is to renovate a portion of an existing health service facility that is located on the main campus. NHFMC is located at 3333 Silas Creek Parkway, Winston-Salem, North Carolina 27103 (License # H0209; FID # 923174). As mentioned previously the new Critical Care Tower, Behavioral Health Emergency Department and Hemodialysis Department are all located on the NHFMC main campus where clinical patient services are provided. Chad Setliff serves as the President and Chief Operating Officer of NHFMC. In his role as President, he exercises administrative and financial control of the facility and his office is located on the first floor of NHFMC.
- 2) The capital expenditure will neither result in a change in bed capacity as defined in N.C.G.S § 131E-176(5) nor the addition of a health service facility or new institutional health service. The sole purpose of the project is to renovate and upgrade patient care areas on the existing main campus of NHFMC.
- 3) NHFMC is providing this letter as prior-written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria in this subsection.

The proposed capital cost for the proposed Phase 2 Master Facility Plan is expected to exceed \$221 million. NHFMC will fund this project from its accumulated reserves. Capital Costs were calculated by Novant Health management in consultation with experts in architecture, engineering, and construction management.

I look forward to receiving written confirmation that this project is exempt from Certificate of Need review under N.C.G.S § 131E-184(g). If you have any questions about this project, please contact me.

Sincerely,

DocuSigned by:

15FFC84DBF354FC...

Andrea Gymer
Vice President, Operational Planning & Innovation
Novant Health, Inc.

ATTACHMENT A



**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

April 11, 2019

Andrea Gymer
amgymer@novanthealth.org

Exempt from Review

Record #: 2911
Facility Name: Novant Health Forsyth Medical Center
FID #: 923174
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Master Facility Plan Phase 1: Infrastructure Upgrades and Facility Renovations
County: Forsyth

Dear Ms. Gymer:

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

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: 919-855-3673

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

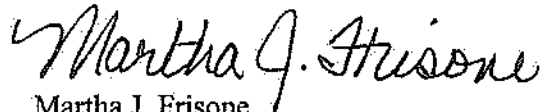
(3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

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

Sincerely,



Celia C. Inman
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



April 8, 2019

Ms. Martha J. Frisone, Chief
Healthcare Planning & Certificate of Need Section
Division of Health Service Regulation, NC DHHS
2704 Mail Service Center
Raleigh, North Carolina 27699-2704

RE: Novant Health Forsyth Medical Center Master Facility Plan Phase 1: Infrastructure Upgrades & Facility Renovations; FID# 923174; Forsyth County

Dear Ms. Frisone:

Pursuant to N.C.G.S § 131E-184(g), I am writing to provide prior written notice that Novant Health Forsyth Medical Center (NHFMC) intends to begin a major infrastructure and facility renovation project, referred to as the Master Facility Plan, on its main campus in Winston-Salem, North Carolina. The Master Facility Plan is a long term plan which will be phased in over multiple years. This letter concerns Phase 1 of the project.

The upgrades planned in Phase 1 include:

- Kitchen remodel and expansion;
- Infrastructure upgrades (including HVAC, air handling unit (AHU) and a Chiller) ;
- Patient room modernizations;
- Women's Center enhancements; and
- The demolition of the Whitaker Rehabilitation Center building.

NHFMC was founded in 1887 and opened at its current location on Silas Creek Parkway in 1964. This Phase 1 of the Master Facility Plan is the most significant capital investment at the medical center since the North Tower of the hospital opened in 2007. With NHFMC's growth in recent decades, the hospital often was required to focus on enhancing patient facing areas as it grew. However, much of Phase 1 centers on enhancing infrastructure so that NHFMC will be in the best position to continue growing while maintaining the high quality of care expected by patients, their families, physicians and the community.

Kitchen Remodel and Expansion

The current kitchen at NHFMC located on the ground floor is 53% below the national benchmark in kitchen size based on the size of the facility. NHFMC is proposing to add approximately 14,000 square feet in this expansion which will address infrastructures needs, provide additional dry good storage, and enable realignment of internal workflows to meet current food and nutrition service standards.



Infrastructure Upgrades

The infrastructure upgrades includes the replacement of HVAC systems, AHU, and Chillers which is exempt pursuant to N.C.G.S § 131E-184(a)(4). The HVAC system, AHU, and Chiller upgrades do not involve the construction of a new health service facility or portion thereof that is subject to CON review. This replacement is necessary due to the age and obsolescence of the current systems.

NHFMC is in need of infrastructure upgrades to meet the growing needs of the facility and to maintain sustainability in the future. NHFMC has five chillers that range in age from 12 – 28 years old. The oldest are at the ends of their useful life and none of the chillers are operating at peak efficiency. The current Air Handling Unit (AHU system) is also past its useful life with some of the system dating back to the original 1964 General Tower construction at NHFMC. In addition, medical gas, plumbing, and electrical systems will be upgraded as part of the infrastructure improvements.

Patient Room Modernizations

As part of Phase 1, NHFMC intends to renovate and modernize patient bed rooms. Existing rooms will be upgraded with attention to lighting, paint and noise mitigation. In addition some patient care rooms in the intermediate and critical care units that are significantly undersized will be renovated to better accommodate patient, family and clinical team needs.

Women's Center Enhancements

NHFMC is also embarking on projects to enhance its Women's Center. This includes redesigning and realigning the women's services departments and functional areas to enhance the experience for patients and families. The North Tower entryway will undergo major improvements as well as infrastructure and aesthetics will be improved as part of the Phase 1 Master Facility Plan. This includes renovating the first floor of the Women's Center for an obstetrical emergency department ("OB ED"). The OB ED will have 8 triage/exam rooms. It will not be a separately-licensed emergency department but rather will function as an extension of the main ED at NHFMC. The OB ED will be staffed 24/7 by a physician and be compliant with all applicable EMTALA regulations.

Demolition of the Whitaker Rehabilitation Center Building

In October 2018, Novant Health transitioned the Whitaker Rehabilitation beds from the Whitaker Rehabilitation Building to a new freestanding hospital to form the Novant Health Rehabilitation Hospital, affiliated with Encompass Health. Since that time, the Whitaker Rehabilitation building has been vacant. Given the age of the building (it was built in 1972) and the fact that it is not appropriately designed for tertiary care, NHFMC intends to demolish the structure. The demolition of the Whitaker Rehabilitation building allows for future growth and expansion on the NHFMC campus.

NHFMC believes the proposed projects satisfy the criteria set forth in N.C.G.S § 131E-184(g) and is therefore exempt as follows:

- 1) The sole purpose of the proposed project is to renovate a portion of an existing health service facility that is located on the main campus. NHFMC is located at 3333 Silas Creek Parkway, Winston-Salem, North Carolina 27103 (License # H0209; FID # 923174). As mentioned previously the kitchen remodel, infrastructure upgrades, patient room modernizations, Women's Center enhancements, and the demolition of the Whitaker Rehabilitation Center building are all located on the NHFMC main campus where clinical patient services are provided. Chad Setliff serves as the President and Chief Operating Officer of NHFMC. In his role as President, he exercises administrative and financial control of the facility and his office is located on the second floor of NHFMC.
- 2) The capital expenditure will neither result in a change in bed capacity as defined in N.C.G.S § 131E-176(5) nor the addition of a health service or new institutional health service. The sole purpose of the project is to renovate and upgrade infrastructure on the existing main campus of NHFMC.
- 3) NHFMC is providing this letter as prior written notice to the Department.

The proposed capital cost for the proposed Phase 1 Master Facility Plan is expected to exceed \$181 million. NHFMC will fund this project from its accumulated reserves. Capital Costs were calculated by Novant Health management in consultation with experts in architecture, engineering, and construction management.

I look forward to receiving written confirmation that this project is exempt from Certificate of Need under N.C.G.S § 131E-184(g). If you have any questions about this project, please contact me at (336) 277 - 1523.

Sincerely,

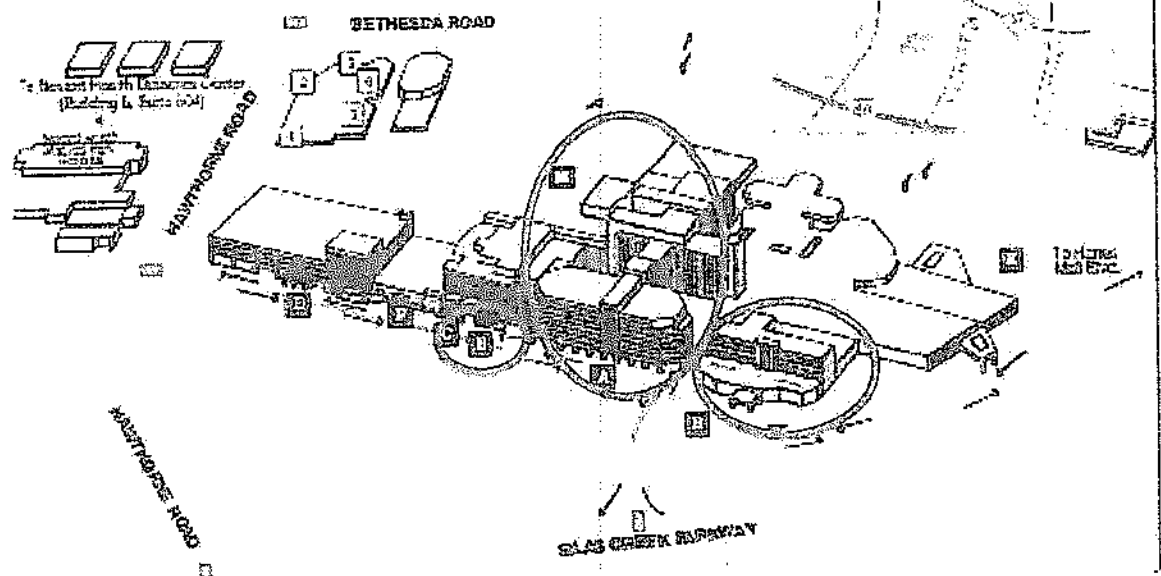


Andrea Gymer
Vice President, Operational Planning & Innovation
Novant Health, Inc.



Campus map

Novant Health Forsyth Medical Center



- Entrance A**
- Administration
 - Physical Therapy
 - MRI
 - Radiology
 - CT
 - Cardiology
 - Cardiac Cath Lab
 - Cardiac Surgery
 - Cardiac Rehab
 - Cardiac CT
 - Cardiac MRI

- Entrance B**
- Emergency Room
 - Trauma Center
 - Intensive Care Unit
 - Coronary Care Unit
 - Cardiac Cath Lab
 - Cardiac MRI
 - Cardiac CT
 - Cardiac Surgery
 - Cardiac Rehab
 - Cardiac CT
 - Cardiac MRI

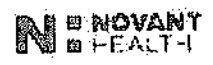
- Entrance C**
- Cancer Treatment
 - Radiation Therapy
 - Radiation Oncology
- Entrance D**
- Hand Surgery
 - Plastic Surgery
- Entrance E**
- Emergency Services
- Entrance F**
- Cancer Treatment

- Entrance G**
- Surgery
 - Cardiac Care
 - Cardiac Cath Lab
 - Cardiac MRI
 - Cardiac CT
 - Cardiac Surgery
 - Cardiac Rehab
 - Cardiac CT
 - Cardiac MRI

- Entrance H**
- Outpatient
 - Cardiac Cath Lab
 - Cardiac MRI
 - Cardiac CT
 - Cardiac Surgery
 - Cardiac Rehab
 - Cardiac CT
 - Cardiac MRI

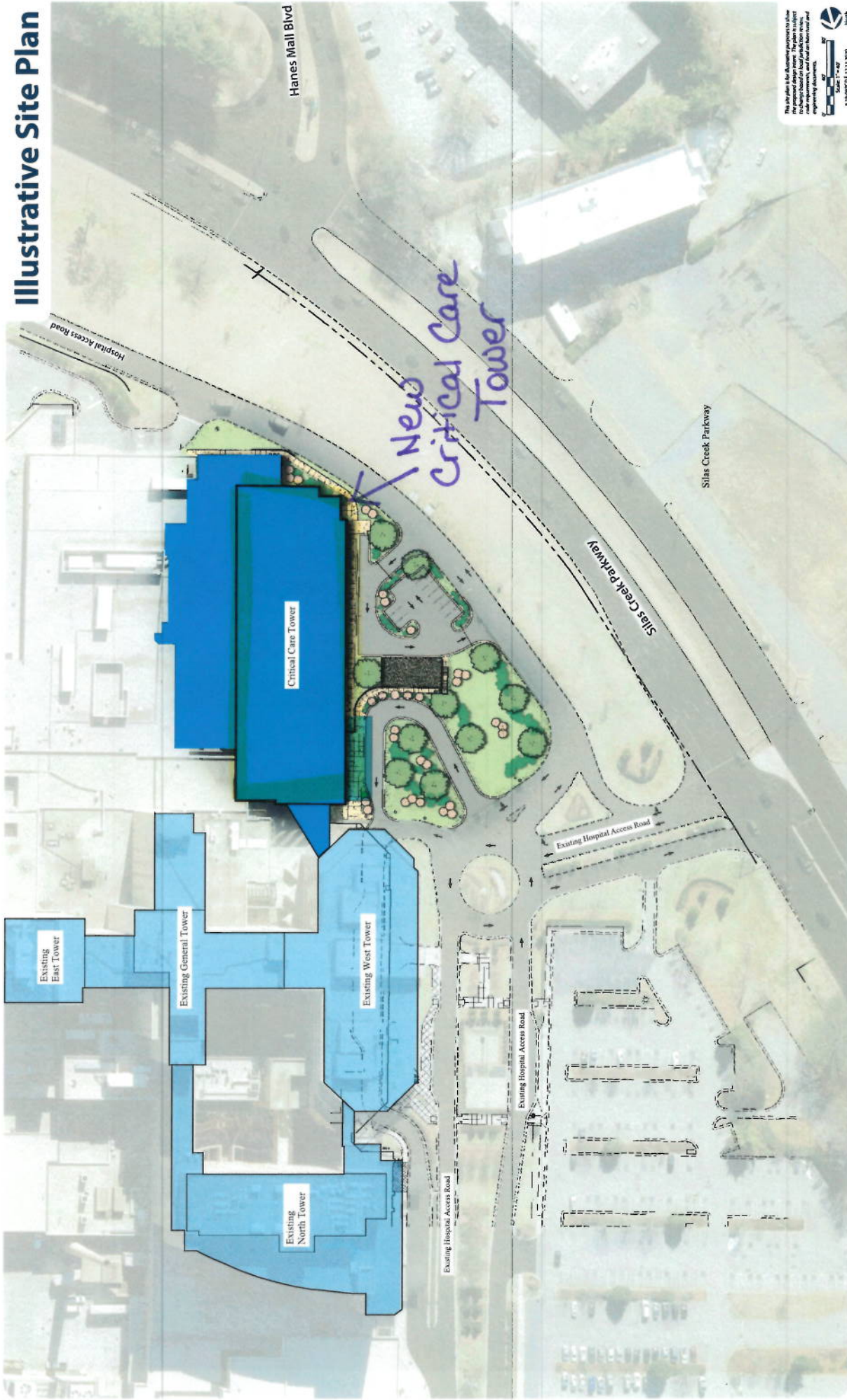
- 1** Novant Health
Outpatient Center
- 2** Novant Health
Ambulatory Center
- 3** Novant Health
Medical Center
- 4** Novant Health
Medical Center
- 5** Novant Health
Medical Center

1333 Glas Creek Parkway, Winston-Salem, NC 27103 • 336.716.2222 • NovantHealth.com



ATTACHMENT B

Illustrative Site Plan



This plan is for illustrative purposes only. The plan is subject to change without notice. The plan is not to be used for engineering or architectural documents.
Scale: 1" = 40'
1908011 12.11.2020

stimmel
LANDSCAPE ARCHITECTURE
CIVIL ENGINEERING
WINSTON-SALEM, NC
CHARLOTTE, NC
www.stimmel.com 336.733.1069

Forsyth Medical Center - Critical Care Tower Winston-Salem, NC

**mcmillan
paszdan
smith
ARCHITECTURE**

**Gresham
Simith**

**NOVANT
HEALTH**