



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

May 14, 2021

Harvey Case
Hcase@carterethealth.org

Exempt from Review

Record #: 3559
Date of Request: April 30, 2021
Facility Name: Carteret General Hospital
FID #: 923076
Business Name: Carteret County General Hospital Corporation
Business #: 418
Project Description: Renovate and expand the main hospital building
County: Carteret

Dear Mr. Case:

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,

Gregory F. Yakaboski
Project Analyst

for
Lisa Pittman
Acting 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

April 29, 2021

Ms Lisa Pittman, Interim Chief
Greg Yakaboski, Certificate of Need Analyst
Health Planning and Certificate of Need Section
Department of Health Service Regulation
2701 Mail Service Center
Raleigh, NC 27699-2701

RE: Request for Exemption from CON Review for Renovation of the Surgery Suite, Two Endoscopy Rooms, and One Procedure Room, Carteret General Hospital, Morehead City, Carteret County FID #20330

Dear Ms. Pittman and Mr. Yakaboski,

Please accept this as required written notification on behalf of Carteret Health Care ("CHC") that it intends to spend \$27,528,063.00 to renovate and expand the main hospital building of Carteret General Hospital. The project will modernize surgery and provide additional space for mechanical systems.

With the proposed project, Carteret General Hospital main hospital building will have an additional 12,400 square feet. Exhibit A illustrates the location of the two-story addition at the northwest edge of the main hospital building. The first floor of the addition will provide 6,200 square feet for mechanical support. Exhibit B includes detail of the second-floor surgical expansion and renovations; which includes 6,200 new and 24,850 renovated square feet. CHC will build five operating rooms ("ORs"), each of which will be larger than the existing ORs. The existing ORs will remain in service until the new ORs are operational, at which time the existing ORs will convert to support spaces. CHC will also renovate two licensed GI endoscopy rooms.



MARK SHOUSE | CHAIRMAN
HARVEY CASE, FACHE | PRESIDENT

3500 ARENDELL ST. | MOREHEAD CITY, NC 28557
P | 252.499.6000

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At completion of the project, the number of operating and GI endoscopy rooms will remain unchanged at five shared ORs, one dedicated C-Section OR, and two licensed GI endoscopy rooms. The licenses for the existing ORs will transfer to the new rooms.

This project satisfies the requirements under N.C.G.S. 131E-184(g) for "any capital expenditure that exceeds the two-million-dollar (\$2,000,000) threshold set forth in G.S. 131 E-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.

Carteret General Hospital is a licensed acute care hospital, License No. H-0222. The renovation entails expansion of the Carteret General Hospital building, on the "main campus" as defined by GS 131E-176(14n). In that main hospital building Carteret General Hospital provides clinical patient services and exercises financial and administrative control over the entire facility.

The estimated total capital expenditure is well over the two-million-dollar threshold set forth in G.S. 131 E-176(16)b. Exhibit D contains a summary detail of the proposed project costs. The capital expenditure will not result in either change in bed capacity as defined in G.S. 131E-176(5) or 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.

We would appreciate your confirmation that this project is exempt from CON review. Thank you for your attention to this request. If you have questions, please let me know.



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Sincerely,



Harvey Case
Chief Executive Officer

Attachments:

- Exhibit A—Site Plan
- Exhibit B—Proposed Floor Plan
- Exhibit C—Existing Floor Plan
- Exhibit D—Proposed Total Capital Cost of Project
- Exhibit E—Copy of CGH 2021 License



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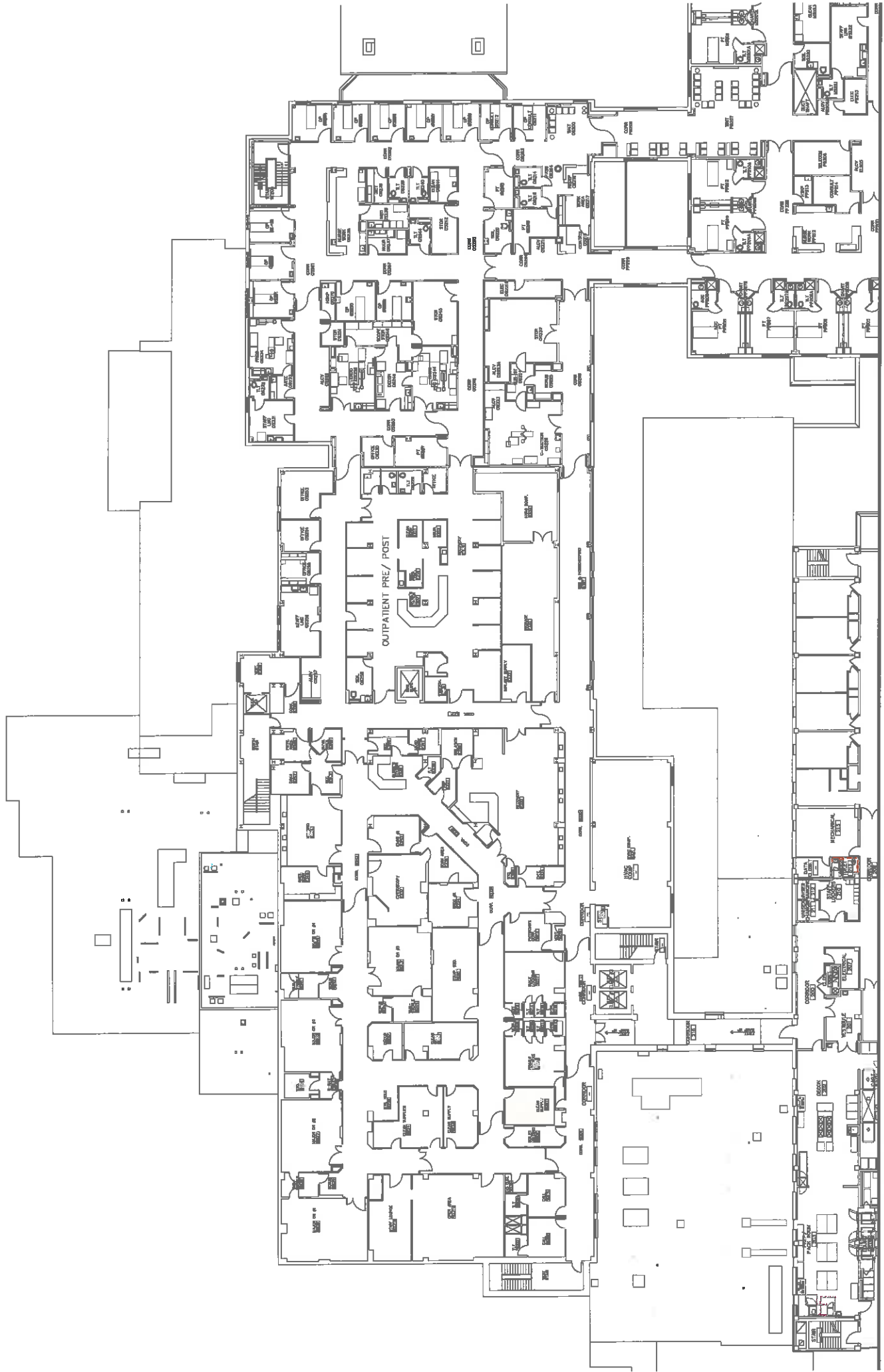
Exhibit A

Carteret General Hospital Proposed Expansion
Site Plan



Exhibit B

Exhibit C



Existing Floor Plan

April 8, 2020
Project No. 20200055
0 8 16 24 32 64 feet



Exhibit D

Carteret Health Renovation/Expansion Proposed Capital Costs

Estimated Construction Cost	\$18,352,042.00
Design Fees at 10%	\$1,835,204.20
Testing & Special Inspections at 0.5%	\$917,602.10
Furnishings and Equipment at 35%	\$6,423,214.70
Total Project Cost	\$27,528,063.00

Exhibit E

State of North Carolina

Department of Health and Human Services Division of Health Service Regulation

*Effective January 01, 2021, this license is issued to
Carteret County General Hospital Corporation*

*to operate a hospital known as
Carteret General Hospital
located in Morehead City, North Carolina, Carteret 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: 923076

License Number: H0222

Bed Capacity: 135

General Acute 135

Dedicated Inpatient Surgical Operating Rooms:	1
Dedicated Ambulatory Surgical Operating Rooms:	0
Shared Surgical Operating Rooms:	5
Dedicated Endoscopy Rooms:	2

Authorized by:



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



Director, Division of Health Service Regulation