



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

RESPONSE REQUIRED

September 27, 2024

Elizabeth Kirkman
AH Cabarrus-Administration
1228 E. Morehead Street, Suite 1
Charlotte, NC 28204

Conditional Approval- CORRECTED

Project ID #: F-12505-24
Facility: Atrium Health Harrisburg
Project Description: Cost overrun and change of scope for Project ID# F-12255-22 (Develop a new hospital by relocating no more than 24 acute beds from Atrium Health Cabarrus) to relocate no more than 13 acute care beds from Atrium Health Cabarrus and develop no more than 31 acute care beds pursuant to the 2024 SMFP need determination, relocate one additional operating room (OR), develop an additional procedure room and four observation beds, and acquire one mammography unit for a total of no more than 44 acute care beds, two ORs, two procedure rooms, four observation beds and one mammography unit upon project completion
County: Cabarrus
FID #: 061205

Approved Capital Expenditure: \$147,641,216
Conditions of Approval: See Attachment A
Approved Timetable: See Attachment B
Last Date to Appeal: October 28, 2024
Required State Agency Findings: Enclosed

Dear Ms. Kirkman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has conditionally approved the above referenced certificate of need application. The conditional approval is valid only for the approved capital expenditure shown above. If the capital cost will exceed the approved capital expenditure amount by more than 115%, the applicant must first obtain a new certificate of need.

Response to the conditions in Attachment A should be attached to an email addressed to the Project Analyst and the Co-signer no later than 35 days from the date of the decision. The certificate of need will not be issued if the response to the conditions in Attachment A has not been received by the Agency.

The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the Agency because the review period was extended. The approved timetable for this project is found in Attachment B.

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: 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

The applicant shall not begin developing this project until after the certificate of need has been issued and the certificate of need will not be issued until the applicant has documented that all conditions that must be met prior to issuance of the certificate of need have been met.

The Certificate of Need law provides that any affected person has thirty (30) days after the date of the decision to file a petition for a contested case on this approval. Further, if you are aggrieved by any of the conditions you may file a petition for a contested case hearing in accordance with G.S.150B, Article 3. This petition must be filed with the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 within thirty (30) days of the date of this decision. Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to the OAH Clerk's Office (919-431-3000).

G.S. 150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Julie Cronin
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 Mail Service Center
Raleigh, North Carolina, 27699-2001

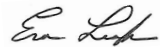
It is requested that a copy of the petition also be served on the Agency.

The certificate of need will not be issued before the completion of thirty-day appeal period which ends on the date shown above. If a contested case petition is filed with OAH within the thirty-day appeal period, the certificate will not be issued until the appeal is resolved.

If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the certificate of need is issued. Please contact this office if any clarification of this decision is required.

Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,



Ena Lightbourne
Project Analyst
Ena.lightbourne@dhhs.nc.gov



Micheala Mitchell
Chief
Micheala.mitchell@dhhs.nc.gov

Enclosures:

- Attachment A: Conditions of Approval
- Attachment B: Approved Timetable
- Required State Agency Findings

Elizabeth Kirkman
September 27, 2024
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cc: Acute & Home Care Licensure & Certification Section, DHSR
Radiation Protection Section, DHSR

Attachment A
Conditions of Approval

- 1. The Charlotte-Mecklenburg Hospital Authority (hereinafter certificate holder) shall materially comply with all representations made in this application and the representations in Project ID# F-12255-22. Where representations conflict, the certificate holder shall materially comply with the last made representations.**
- 2. The certificate holder shall relocate no more than 13 acute care beds from Atrium Health Cabarrus, develop no more than 31 acute care beds pursuant to the 2024 SMFP need determination, relocate no more than one operating room, develop one procedure room and four observation beds, and acquire one mammography unit, for a total of no more than 44 acute care beds, two operating rooms, two procedure rooms, four observation beds, and one mammography unit at Atrium Health Harrisburg, upon completion of this project and Project ID# F-12255-22.**
- 3. Upon completion of this project and Project ID# F-12255-22, Atrium Health Harrisburg shall be licensed for no more than 44 acute care beds, two operating rooms, two procedure rooms, four observation beds, and one mammography unit.**
- 4. Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. The certificate holder shall complete all sections of the Progress Report form.**
 - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. The first progress report shall be due on March 1, 2025.**
- 5. The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
- 6. The certificate holder shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.**

- 7. The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**

Attachment B
Approved Timetable

Milestone		Date <i>mm/dd/yyyy</i>
1	Drawings Completed	01/02/2026
2	Construction / Renovation Contract(s) Executed	04/01/2026
3	25% of Construction / Renovation Completed (25% of the cost is in place)	08/01/2026
4	50% of Construction / Renovation Completed	02/01/2027
5	75% of Construction / Renovation Completed	08/01/2027
6	Construction / Renovation Completed	02/01/2028
7	Equipment Ordered	02/01/2027
8	Equipment Installed	03/01/2028
9	Equipment Operational	04/01/2028
10	Building / Space Occupied	04/01/2028
11	Licensure Obtained	05/01/2028
12	Services Offered	05/01/2028
13	Medicare and / or Medicaid Certification Obtained	05/01/2028
14	Facility or Service Accredited	05/01/2028