



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

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

RESPONSE REQUIRED

January 24, 2020

F. Del Murphy, Jr.
2525 Court Drive
Gastonia, NC 28054

Conditional Approval

Project ID #: F-11749-19
Facility: CaroMont Regional Medical Center - Belmont
Project Description: Develop a new 54-bed acute care hospital in Belmont by relocating 21 existing acute care beds from the hospital in Gastonia and developing the 33 acute care beds pursuant to the need determination in the 2019 SMFP. One dedicated C-Section OR and one GI endoscopy room will be relocated from the hospital in Gastonia and 2 ORs will be relocated from CaroMont Specialty Surgery. In addition, this project is a change of scope for Project ID #F-10354-14 (replacement and relocation of major medical equipment and acquisition of 2 digital RF systems and 1 ultrasound unit)
County: Gaston
FID #: 190371

Approved Capital Expenditure: \$195,795,775
Conditions of Approval: See Attachment A
Approved Timetable: See Attachment B
Last Date to Appeal: February 24, 2020
Required State Agency Findings: Enclosed

Dear Mr. Murphy:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has conditionally approved the above referenced certificate of need application. This decision was made after review of the application or applications if the review was competitive, consideration of the Certificate of Need Law and regulations promulgated thereunder, the State Medical Facilities Plan, written comments if any, responses to comments if any, and other publicly applicable information.

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 submitted to the Agency no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency making a determination not to issue a certificate of need for the project referenced above.

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

Note: 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. Furthermore, if the project requires that plans be submitted to the Construction Section, those plans will not be reviewed or approved until after the certificate of need has been issued.

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 N.C. Gen. Stat. §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).

N.C. Gen. Stat. §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:

Lisa G. Corbett
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,



Julie M. Faenza
Project Analyst



Gloria C. Hale
Team Leader

Enclosures:

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

cc: Acute & Home Care Licensure & Certification Section, DHSR
Construction Section, DHSR
Radiation Protection, DHSR

Attachment A
Conditions of Approval

- 1. Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall materially comply with all representations made in the application and any supplemental responses. In the event that representations conflict, Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall materially comply with the last made representation.**
- 2. Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc., shall develop CaroMont Regional Medical Center – Belmont, a new, separately licensed 54-bed acute care hospital by developing no more than 33 new acute care beds pursuant to the need determination in the 2019 State Medical Facilities Plan, relocating no more than 21 acute care beds, no more than one dedicated C-Section operating room, and no more than one gastrointestinal endoscopy room from CaroMont Regional Medical Center, and relocating no more than two operating rooms from CaroMont Specialty Surgery. In a change of scope for Project I.D. #F-10354-14, Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall also relocate one ultrasound unit and replace and relocate a CT scanner, an MRI scanner, and two RF systems to CaroMont Regional Medical Center – Belmont.**
- 3. Upon completion of the project, Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall take the necessary steps to delicense 21 acute care beds, one dedicated C-Section operating room, and one gastrointestinal endoscopy room at CaroMont Regional Medical Center, which shall be licensed for no more than 351 acute care beds, no more than 21 operating rooms, and no more than five gastrointestinal endoscopy rooms.**
- 4. Upon completion of the project, Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall take the necessary steps to delicense two operating rooms at CaroMont Specialty Surgery, which shall be licensed for no more than four operating rooms.**
- 5. Upon issuance of the certificate of need for this project, Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall relinquish the certificate of need for Project I.D. #F-10354-14 to the Agency.**
- 6. Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. 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.**
- 7. Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. 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.**
- 8. No later than three months after the last day of each of the first three full years of operation following initiation of the services authorized by this certificate of need, Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:**
 - a. Payor mix for the services authorized in this certificate of need.**
 - b. Utilization of the services authorized in this certificate of need.**

Project I.D. # F-11749-19 Cont.

- c. Revenues and operating costs for the services authorized in this certificate of need.**
 - d. Average gross revenue per unit of service.**
 - e. Average net revenue per unit of service.**
 - f. Average operating cost per unit of service.**
- 9. Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. 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**

1. Drawings Completed _____ December 1, 2020
2. Construction / Renovation Contract(s) Executed _____ July 1, 2020
3. 25% of Construction / Renovation Completed
(25% of the cost is in place) _____ January 1, 2020
4. 50% of Construction / Renovation Completed _____ December 15, 2021
5. 75% of Construction / Renovation Completed _____ June 30, 2022
6. Construction / Renovation Completed _____ May 30, 2023
7. Equipment Ordered _____ May 1, 2022
8. Equipment Installed _____ June 1, 2023
9. Equipment Operational _____ June 15, 2023
10. Building / Space Occupied _____ June 15, 2023
11. Licensure Obtained _____ July 1, 2023
12. Services Offered (required) _____ July 1, 2023
13. Medicare and / or Medicaid Certification Obtained _____ July 1, 2023
14. Facility or Service Accredited _____ July 1, 2023
15. First Annual Report Due _____ September 30, 2024