



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

March 26, 2020

Andrea Gymer
2085 Frontis Plaza Boulevard
Winston-Salem, NC 27103

Conditional Approval

Project ID #: F-11807-19
Facility: Novant Health Matthews Medical Center
Project Description: Add no more than 1 OR pursuant to the need determination in the 2019 SMFP for a total of no more than 9 ORs upon project completion
County: Mecklenburg
FID #: 945076

Approved Capital Expenditure: \$2,162,667
Conditions of Approval: See Attachment A
Approved Timetable: See Attachment B
Last Date to Appeal: April 27, 2020
Required State Agency Findings: Will be mailed within five business days after the date of this letter

Dear Ms. Gymer:

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 attached to emails addressed to the Project Analyst and the Co-signer no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency determining 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.

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.

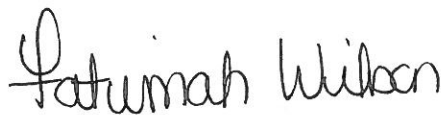
If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the certificate of need is issued. Please contact this office if any clarification of this decision is required.

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

Sincerely,



Julie M. Faenza
Project Analyst
Julie.Faenza@dhhs.nc.gov



Fatimah Wilson
Team Leader
Fatimah.Wilson@dhhs.nc.gov

Enclosures:

Attachment A: Conditions of Approval
Attachment B: Approved Timetable

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

Attachment A
Conditions of Approval

- 1. Presbyterian Medical Care Corp. and Novant Health, Inc. shall materially comply with all representations made in the certificate of need application.**
- 2. Presbyterian Medical Care Corp. and Novant Health, Inc. shall develop no more than one additional operating room at Novant Health Matthews Medical Center.**
- 3. Upon completion of the project, Novant Health Matthews Medical Center shall be licensed for no more than nine operating rooms, including two dedicated C-Section operating rooms.**
- 4. Presbyterian Medical Care Corp. and Novant 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.**
- 5. No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, Presbyterian Medical Care Corp. and Novant 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.**
 - 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.**
- 6. Presbyterian Medical Care Corp. and Novant 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 _____ **October 30, 2020**
2. Construction / Renovation Contract(s) Executed _____ **February 1, 2021**
3. 25% of Construction / Renovation Completed
(25% of the cost is in place) _____ **August 23, 2021**
4. 50% of Construction / Renovation Completed _____ **March 21, 2021**
5. 75% of Construction / Renovation Completed _____ **October 10, 2022**
6. Construction / Renovation Completed _____ **May 1, 2023**
7. Equipment Ordered _____ **December 23, 2022**
8. Equipment Installed _____ **April 28, 2023**
9. Equipment Operational _____ **May 26, 2023**
10. Building / Space Occupied _____ **June 1, 2023**
11. Licensure Obtained _____ **June 16, 2023**
12. Services Offered (required) _____ **July 1, 2023**
13. First Annual Report Due _____ **March 31, 2025**