



North Carolina Department of Health and Human Services
Division of Health Service Regulation

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Division Director

July 23, 2015

Catharine W. Cumber, Regulatory Counsel, Strategic Planning
Duke University Health System
3100 Tower Blvd, Suite 1300
Durham NC 27707

Exempt from Review

Record #: 1657
Facility Name: Duke University Hospital
FID #: 943138
Business Name: Duke University Health System
Business #: 639
Project Description: Renovation of space in Duke North for pediatric beds
County: Durham

Dear Ms. Cumber:

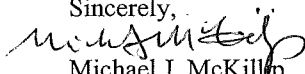
The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of July 15, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(g). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

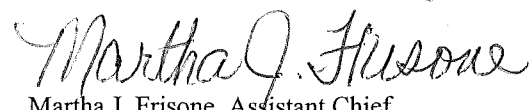
However, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.

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; (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,


Michael J. McKillop
Project Analyst


Martha J. Frisone, Assistant Chief
Certificate of Need

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Assistant Chief, Healthcare Planning



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-715-4413

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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Duke University Health System

Catharine W. Cummer
Regulatory Counsel, Strategic Planning



July 15, 2015

Via Electronic Mail

Ms. Martha Frisone
Assistant Chief
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Exempt Renovation Project at Duke University Hospital

Dear Ms. Frisone:

The purpose of this letter is to provide notice of renovations at Duke University Hospital and to request confirmation that these renovations are exempt from certificate of need review. The project includes renovation of space within Duke North to accommodate licensed pediatric beds, including the relocation of the Pediatric Cardiac Intensive Care Unit. The total projected cost exceeds \$2,000,000.

Section 131E-184(g) provides that "The Department shall exempt from certificate of need review any capital expenditure that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-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 G.S. 131E-184 documentation to demonstrate that it meets the exemption criteria of this subsection."

As set forth below, we believe that Duke University Hospital's project is now exempt from certificate of need review.

Ms. Martha Frisone
July 15, 2015

(1) Main Campus

The purpose of this project is to renovate space in Duke North, which is located on the "main campus" of the hospital, to accommodate pediatric acute care beds. The "main campus" of the facility is defined in N.C.G.S. 131E-176(14n) to include both "[t]he site of the main building from which a licensed health service facility provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building" and "[o]ther areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building." In this case, Duke University Hospital is a licensed health service facility, and the main hospital building from which Duke University Hospital provides its clinical services and exercises financial and administrative control is the physically contiguous structure that includes Duke South, Duke North, the Duke Children's Hospital, the Duke Medical Pavilion, the Morris Clinic, the Duke Cancer Center, the Wadsworth Building, and the new Hudson Building. The renovations are to existing space within Duke North to accommodate existing acute care beds that are already operated within that facility. Therefore, this project is to renovate and/or expand Duke University Hospital's existing health service facility located on the main campus.

(2) New Institutional Health Services

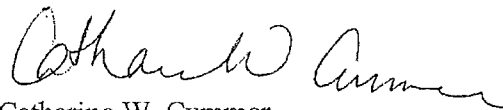
This project will not change Duke's existing bed capacity, nor include any other new institutional health services. As part of the PCICU relocation, three existing beds currently designated for other purposes will be redesignated as PCICU beds, so that the relocated unit will include 16 beds staffed for PCICU patients; however, the total licensed bed complement will not change.

(3) Prior Written Notice

Please let this letter serve as the required prior written notice of this project.

Thank you for your attention to this request. If you have questions about this information, please let me know.

Very truly yours,


Catharine W. Cummer