



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Mark Payne
Assistant Secretary for Audit and
Health Service Regulation

April 4, 2016

Lisa Griffin
Novant Health, Inc.
2085 Frontis Plaza Drive
Winston-Salem, NC 27103

Exempt from Review

Record #: 1915
Facility Name: Novant Health Presbyterian Medical Center (NHPMC)
FID #: 943501
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Renovate adolescent behavioral health unit on floor 7D
County: Mecklenburg

Dear Ms. Griffin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of March 24, 2016, 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.

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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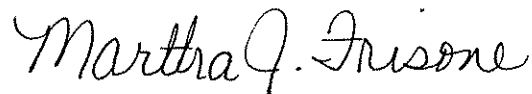


If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,



Gloria C. Hale
Project Analyst

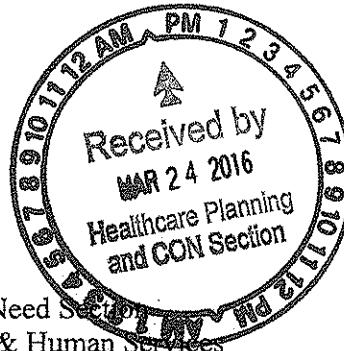


Martha J. Frisone, Assistant Chief
Certificate of Need

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Kelli Fisk, Program Assistant, Healthcare Planning, DHSR



Novant Health
2085 Frontis Plaza Drive
Winston-Salem, NC 27103



March 24, 2016

Ms. Martha Frisone, Assistant Chief
Healthcare Planning & Certificate of Need Section
North Carolina Department of Health & Human Services
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: Notice of Exempt Capital Expenditure Pursuant to NCGS § 131E-184(g) for Novant Health Presbyterian Medical Center (NHPMC) 7D Behavioral Health Services Renovation; FID # 943501 / Mecklenburg County

Dear Ms. Frisone:

This letter outlines Novant Health Presbyterian Medical Center's (NHPMC's) project to renovate and update its existing Adolescent Behavioral Health Unit located on 7D in the main building on the Charlotte campus. The project cost is estimated to exceed \$2 million and is exempt from Certificate of Need (CON) review by the CON Section for the reasons set forth in this letter. The estimated total capital costs for this project are \$2,800,000 (See **Attachment A**).

This project is exempt from CON review and meets the criteria set forth in NCGS § 131E-184(g) as follows:

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;

*This project is to renovate the existing 20-bed 7D Behavioral Health Unit space located on the 7th floor of Novant Health Presbyterian Medical Center, 200 Hawthorne Lane, Charlotte, Mecklenburg County, North Carolina. The location on Hawthorne Lane is the "main campus" for NHPMC as it is the site from which NHPMC "provides clinical patient services and exercises financial and administrative control over the entire facility." NHPMC and its campus has been located at this address since 1918. Refer to **Attachment B** and **C** for location documentation.*

2. The capital expenditure does not result in (i) a change in bed capacity as defined in GS 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service facility or any other new institutional health service other than that allowed in GS 131E-176(16)b.;

Ms. Martha Frisone
March 24, 2016
Page 2

*The renovation of 7D will not result in a change in bed capacity or in the addition of a health service facility or any other new institutional health service facility. The space for the existing licensed 20 Adolescent Psychiatric Beds is to be renovated and updated in its current location in the main hospital. See **Attachment D** documenting the existing, licensed 20 adolescent psychiatric beds per Table 15A of the 2016 North Carolina State Medical Facilities Plan.*

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 it meets the exemption criteria of this subsection.

This correspondence and supporting documentation serves as the required notice to the CON Section that the 7D renovation project meets the exemption criteria.

In conclusion, based on the information described above, please confirm that NHPMC's project to renovate and update the 7D Adolescent Behavioral Health Unit fits within the exemption requirements at NCGS § 131E-184(g), therefore making it exempt from CON review.

Please let me know if you have any questions or need additional information related to this project. Thank you for your prompt consideration of this request.

Sincerely,



Lisa Griffin
Manager, Certificate of Need
Novant Health, Inc.

Enclosures

cc: Barbara Freedy, Director, CON, Novant Health
Laura MacFadden, Vice President, Design & Construction, Novant Health

File: PMC 7D Reno Exempt Ltr 03 24 16.docx

Attachment A

PROPOSED CAPITAL COSTS

Project Name: **PMC Adolescent 7D BH Renovation**

March 21, 2016

Proponent: **Novant Health Presbyterian medical Center**

A. Site Costs

(1)	Full purchase price of land		\$	_____	-
	Acres _____ Price per Acre		\$	_____	-
(2)	Closing Costs		\$	_____	-
(3)	Site Inspection and Survey		\$	_____	-
(4)	Legal fees and subsoil investigation		\$	_____	-
(5)	Site Preparation Costs	\$		_____	-
	Soil Borings	\$		_____	-
	Clearing Earthwork	\$		_____	-
	Fine Grade For Slab	\$		_____	-
	Roads Paving	\$		_____	-
	Concrete Sidewalks	\$		_____	-
	Water and Sewer	\$		_____	-
	Footing Excavation	\$		_____	-
	Footing Backfill	\$		_____	-
	Termite Treatment	\$		_____	-
	Sub-Total Site Preparation Costs		\$	_____	-
(6)	Other (specify)		\$	_____	-
(7)	Sub-Total Site Costs		\$	_____	-

B. Construction Contract

(8)	Cost of Materials				
	General Requirements	\$		45,246.00	
	Concrete/Masonry	\$		58,216.00	
	Woods/Doors & Windows/Finishes	\$		348,537.00	
	Thermal & Moisture Protection	\$		-	
	Equipment/Specialty Items	\$		46,777.00	
	Mechanical/Electrical	\$		370,074.00	
	Other Contingency	\$		171,100.00	
	Sub-Total Cost of Materials		\$	1,039,950.00	
(9)	Cost of Labor GC Labor		\$	730,051.00	
(10)	Other - (Specify)		\$	_____	
(11)	Sub-Total Construction Contract		\$	1,770,001.00	

C. Miscellaneous Project Costs

(12)	Building Purchase		\$	_____	-
(13)	Fixed Equipment Purchase/Lease		\$	_____	-
	Other (contingency)		\$	_____	-
(14)	Movable Equipment Purchase/Lease		\$	54,750.00	
(15)	Furniture		\$	67,985.00	
(16)	Landscaping		\$	_____	-
(17)	Consult Fees				
	Architect and Engineering Fees	\$		108,686.00	
	Market Analysis	\$		-	
	Other - (Specify) A&E Reimbursable	\$		1,500.00	
	Sub-Total Consultant Fees		\$	110,186.00	
(18)	Financing Costs (e.g. Bond Loan, etc)		\$	_____	-
(19)	Interest During Construction		\$	_____	-
(20)	Other (SPECIFY) Low Voltage Systems		\$	25,000.00	
	Other (SPECIFY) IT		\$	65,000.00	
	Other (SPECIFY) Nurse Call		\$	104,000.00	
	Other (SPECIFY) Security System		\$	18,856.00	
	Other (SPECIFY) Misc. Low Voltage Cable Pulls		\$	22,000.00	
	Other (SPECIFY) Interior Signage		\$	10,000.00	
	Other (SPECIFY) Cubicle Curtains		\$	11,700.00	
	Other (SPECIFY) DHSR Review		\$	4,808.00	
	Other (SPECIFY) Moving/Storage		\$	5,000.00	
	Other (SPECIFY) Pre TAB		\$	2,260.00	
	Other (SPECIFY) Project Management		\$	22,725.00	
	Other (SPECIFY) Project Contingency		\$	504,789.00	
(21)	Sub-Total Miscellaneous		\$	1,029,999.00	
(22)	Total Capital Cost of Project (Sum A-C above)		\$	2,800,000.00	

I assure that, to the best of my knowledge, the above capital costs for the proposed project are complete and correct and that is my intent to carry out the proposed project as described.

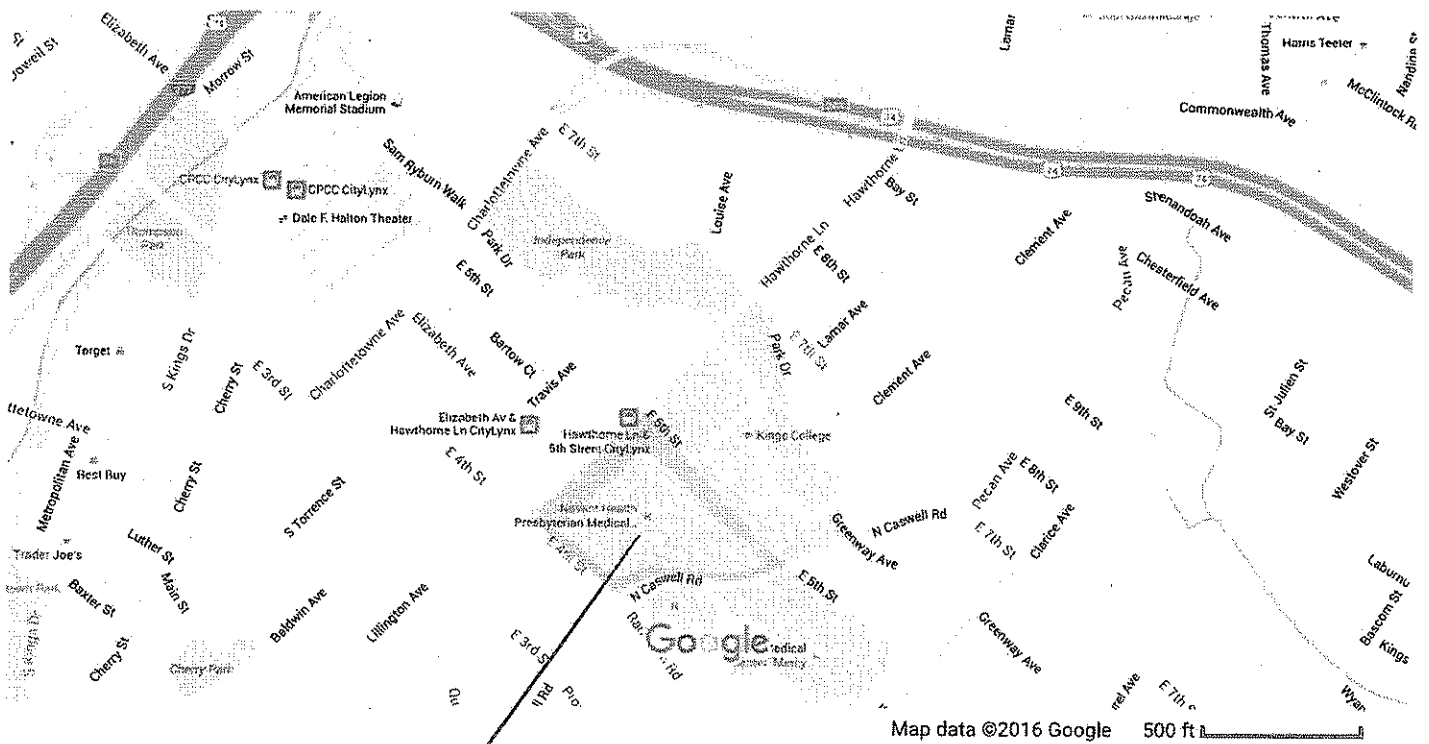
Laura McFadden
 (Proponent - Signature of Officer)

Vice President, design & construction
 (Title of Officer)

Donal A. Kinken
 Architect - (Certifying construction Cost Only)

Attachment B

Google Maps Presbyterian Medical Center, 200 Hawthorne Lane, Charlotte, NC

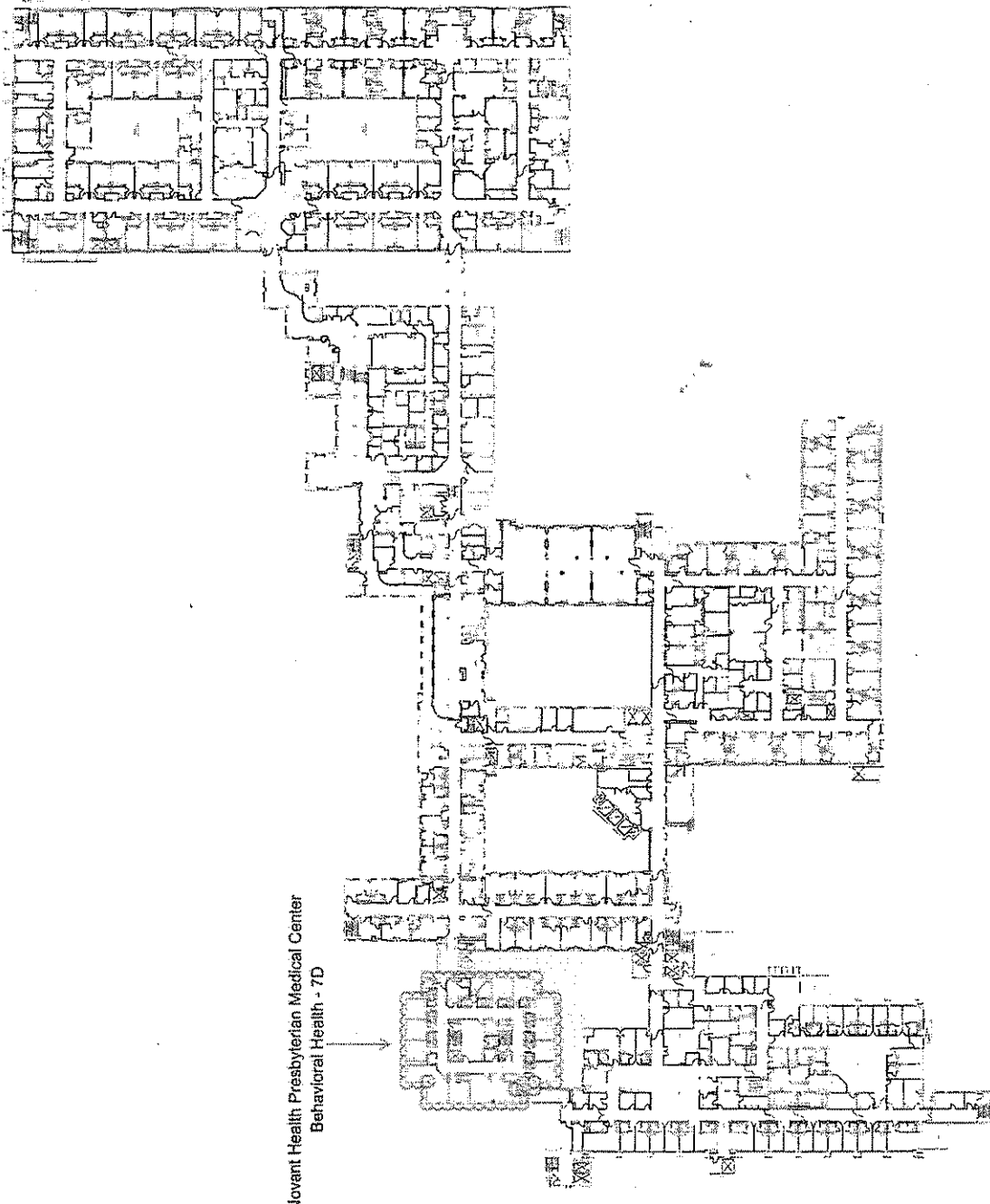


Google Maps

Presbyterian medical Center
200 Hawthorne lane
Charlotte, NC

Attachment C

NHPmc
Seventh Floor
7D BH Renovation



Novant Health Presbyterian Medical Center
Behavioral Health - 7D



Attachment D

NHPMC
 Excerpt of 2016 SMFP
 TD BH Renovation

Table 15A: Inventory of Psychiatric Beds, Excluding State Hospitals
 By Local Management Entity-Management Care Organization (LME-MCO)

Local Management Entity- Managed Care Organization	Hospital	County	Licensed Adult Beds	Licensed Child/Adol Beds	Total Licensed Beds	License Pending CON Adult	License Pending CON Child/Adol	Available in SMFP Adult	Available in SMFP Child/Adol	Total Adult Inventory	Total Child/Adol Inventory	Total All Beds	
Alliance Behavioral Healthcare	Cape Fear Valley Medical Center	Cumberland	28	0	28	0	0	0	0	28	0	28	
	Duke Regional Hospital	Durham	23	0	23	0	0	0	0	23	0	23	
	Duke University Medical Center	Durham	19	0	19	0	0	0	0	19	0	19	
	Veritas Collaborative *	Durham	0	5	5	0	1	0	0	0	0	6	
	Johnston Health	Johnston	20	0	20	0	0	0	0	20	0	20	
	Holly Hill Hospital	Wake	80	60	140	60	0	0	0	140	60	200	
	Strategic Behavioral Center-Garner **	Wake	0	32	32	24	0	0	0	24	32	56	
	Triangle Springs	Wake	0	0	0	43	0	0	0	43	0	43	
	UNC Hospitals at WakeBrook **	Wake	16	0	16	12	0	0	0	28	0	28	
	UNC Hospitals at WakeBrook **	Wake	16	0	16	12	0	0	0	28	0	28	
Alliance Behavioral Healthcare Totals													
Cardinal Innovations Healthcare Solutions	Carollinas Medical Center - Northeast	Cabarrus	10	0	10	0	0	0	0	10	0	10	
	Novant Health Thomasville Medical Center	Davidson	45	0	45	0	0	0	0	45	0	45	
	Novant Health Rowan Medical Center (Lifeworks Behavioral Health Unit)	Rowan	40	0	40	0	0	0	0	40	0	40	
	Stanly Regional Medical Center	Stanly	12	0	12	0	0	0	0	12	0	12	
	Alamance Regional Medical Center	Alamance	36	8	44	0	0	0	0	36	8	44	
	Novant Health Franklin Medical Center	Franklin	13	0	13	0	0	0	0	13	0	13	
	Halifax Regional Medical Center	Halifax	20	0	20	0	0	0	0	20	0	20	
	University of North Carolina Hospitals	Orange	58	18	76	0	0	0	0	58	18	76	
	Carollinas Medical Center (Behavioral Health) ***	Mecklenburg	110	22	132	0	0	0	0	110	22	132	
	Novant Health Presbyterian Medical Center	Mecklenburg	55	20	75	0	0	0	0	55	20	75	
SBH-Charlotte**	Mecklenburg	0	0	0	0	0	24	0	0	0	24		
Cardinal Innovations Healthcare Solutions Totals													
CenterPoint Human Services	Novant Health Forsyth Medical Center	Forsyth	80	0	80	0	0	0	0	80	0	80	
	North Carolina Baptist Hospital	Forsyth	24	20	44	0	0	0	0	24	20	44	
	Old Vineyard Youth Services**	Forsyth	78	18	96	26	34	0	0	104	52	156	
	Pioneer Community Hospital of Stokes	Stokes	6	0	6	0	0	0	0	6	0	6	
	CenterPoint Human Services Totals		188	38	226	26	34	0	0	214	72	286	
	CenterPoint Human Services Totals												
	Eastpointe	Vidant Duplin Hospital	Duplin	25	0	25	0	0	0	0	25	0	25
		Nash General Hospital	Nash	44	0	44	0	0	0	0	44	0	44
		Southeastern Regional Medical Center	Robeson	33	0	33	0	0	0	0	33	0	33
		Wayne Memorial Hospital	Wayne	61	0	61	0	0	0	0	61	0	61
Wilson Medical Center		Wilson	23	0	23	0	0	0	0	23	0	23	
Eastpointe Totals			186	0	186	0	0	0	0	186	0	186	
Eastpointe Totals													
Partners Behavioral Health Management		Carollinas HealthCare System - Blue Ridge	Burke	22	0	22	0	0	0	0	22	0	22
		Catawba Valley Medical Center	Catawba	38	0	38	0	0	0	0	38	0	38
		Frye Regional Medical Center	Catawba	84	0	84	0	0	0	0	84	0	84
	Carollinas HealthCare System Kings Mountain	Catawba	14	0	14	0	0	0	0	14	0	14	
	Caroymont Regional Medical Center	Gaston	36	27	63	0	0	0	0	36	27	63	
	Davis Regional Medical Center	Iredell	28	0	28	0	0	0	0	28	0	28	
	Partners Behavioral Health Management Totals		222	27	249	0	0	0	0	222	27	249	
	Partners Behavioral Health Management Totals												