



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

March 29, 2017

Elizabeth Kirkman
CHS Strategic Services Group
2709 Water Ridge Parkway, Suite 200
Charlotte, North Carolina 28217

No Review

Record #: 2212
Facility Name: Carolinas HealthCare System Steele Creek Emergency Department
FID #: 070396
Business Name: Mercy Hospital, Inc.
Business #: 1220
Project Description: Renovate and expand the number of emergency room bays
County: Mecklenburg

Dear Ms. Kirkman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of March 22, 2017 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

However, you need to contact the Agency's Construction and Acute and Home Care Certification and Licensure 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 in your correspondence. 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 this office. 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

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



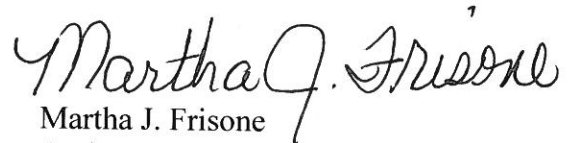
original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

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
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR



Carolinus HealthCare System



March 22, 2017

Ms. Martha Frisone, Assistant Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, NC 27603

RE: No Review Request to Verify Non-Reviewability of Project to Renovate Carolinus HealthCare System Steele Creek Emergency Department, a hospital department of Mercy Hospital, Inc. d/b/a Carolinus HealthCare System Pineville

Dear Ms. Frisone:

Mercy Hospital, Inc. d/b/a Carolinus HealthCare System Pineville (CHS Pineville) owns and operates a freestanding Emergency Department, Carolinus HealthCare System Steele Creek (CHS Steele Creek) in Charlotte, Mecklenburg County.

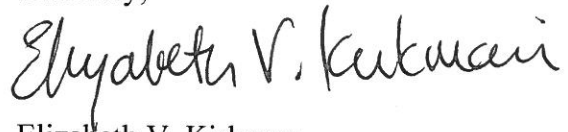
The CHS Steele Creek Emergency Department plans to renovate and expand the number of emergency room bays by adding eight vertical care bays to accommodate low acuity patients. The proposed capital cost is under \$2,000,000. Through this letter, CHS Pineville requests confirmation from the Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the "Agency") that the renovation project described herein is not subject to certificate of need review.

Because the renovation and addition of emergency room vertical care bays does not trigger any of the Certificate of Need ("CON") Law's new institutional health service definitions in N.C. Gen. Stat. § 131E-176(16), CHS Pineville asks to do this without undergoing CON review.

This proposed project does not trigger any of the new institutional health service definitions in N.C. Gen. Stat. § 131E-176(16). The construction costs associated with renovating and expanding the CHS Steele Creek emergency department will not exceed \$2,000,000, and thus will not trigger the capital cost threshold in N.C. Gen. Stat. § 131E-176(16)(b). See Attachment A (certified cost estimate) and Attachment B (line drawing showing the proposed renovations).

Based on the above facts, CHS Pineville requests you confirm in writing that CHS Pineville's renovation is exempt from certificate of need review and that we may proceed as planned with this project.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth V. Kirkman". The signature is written in a cursive, flowing style.

Elizabeth V. Kirkman
Assistant Vice-President
CHS Strategic Services Group

cc: Chris Hummer, President, CHS Pineville

Attachments

ATTACHMENT A

Project name: CMC-Steele Creek Emergency Department Expansion

A. Site Costs

| | | |
|--|-------------|---------------------|
| (1) Full purchase price of land | | \$0.00 |
| Acres _____ Price per Acre \$ _____ | | |
| (2) Closing costs | | \$0.00 |
| (3) Site Inspection and Survey | | \$0.00 |
| (4) Legal fees and subsoil investigation | | \$0.00 |
| (5) Site Preparation Costs | | |
| Soil Borings | \$0.00 | |
| Clearing-Earthwork | \$48,240.00 | |
| Fine Grade for Slab | \$19,845.00 | |
| Roads-Paving | \$0.00 | |
| Concrete Sidewalks | \$3,240.00 | |
| Water and Sewer | \$19,635.88 | |
| Footing Excavation | \$0.00 | |
| Footing Backfill | \$0.00 | |
| Termite Treatment | \$463.30 | |
| Other (Storm Drainage) | \$9,500.00 | |
| Other (Temp Fencing) | \$7,536.25 | |
| Sub-Total Site Preparation Costs | | \$108,460.43 |
| (6) Other (Specify) | | \$0.00 |
| (7) Sub-Total Site Costs | | \$108,460.43 |

B. Construction Contract

| | | |
|---|--------------|-----------------------|
| (8) Cost of Materials | | |
| General Requirements | \$129,624.96 | |
| Concrete/Masonry | \$131,122.20 | |
| Woods/Doors & Windows/Finishes | \$252,630.95 | |
| Thermal & Moisture Protection | \$32,770.00 | |
| Equipment/Specialty Items | \$3,247.77 | |
| Mechanical/Electrical | \$457,694.38 | |
| Other (Steel) | \$119,703.00 | |
| Sub-total Cost of Materials | | \$1,126,793.26 |
| (9) Cost of Labor | | \$4,760.00 |
| (10) Other (Specify) Contingency | | \$17,680.00 |
| (11) Sub-Total Construction Contract | | \$1,149,233.26 |

C. Miscellaneous Project Costs

| | | |
|---|--------------|-----------------------|
| (12) Building Purchase | | \$0.00 |
| (13) Fixed Equipment Purchase/Lease | | \$0.00 |
| (14) Movable Equipment Purchase/Lease | | \$234,519.00 |
| (15) Furniture (Blinds, Screenwalls) | | \$133,886.25 |
| (16) Landscaping | | \$15,000.00 |
| (17) Consultant Fees | | |
| Architect and Engineering Fees | \$189,840.00 | |
| Legal Fees | \$0.00 | |
| Market Analysis | \$0.00 | |
| Other (Specify) Mileage | \$300.00 | |
| Other (Specify) Internal Labor | \$79,819.00 | |
| Sub-Total Consultant Fees | | \$269,959.00 |
| (18) Financing Costs (e.g., Bond, Loan, etc.) | | \$0.00 |
| (19) Interest During Construction | | \$0.00 |
| (20) Other (Communications, IS) Cabling & Security | | \$24,712.00 |
| (21) Sub-Total Miscellaneous | | \$678,076.25 |
| (22) Total Capital Cost of Project (Sum A-C above) | | \$1,935,769.94 |

February 20, 2017

Ms. Shelley Clontz
Senior Project Manager/Project Leader
Facilities Management Group, Project & Construction Management
Carolinas HealthCare System
1400 East Morehead Street
Charlotte, NC 28204

Re: Cost Certification Letter
Project Name: CHS – Steele Creek Emergency Department Expansion
Project Number: OSR 2912330

Dear Ms. Clontz:

Perkins Eastman has been pleased to work with Carolinas HealthCare System to develop the Certificate of Need exemption package for the CHS – Steele Creek ED Expansion, generally described in the CHS Green Book package printed October 7, 2016.

The project will new construction of approximately 2,000 square feet housing a vertical care unit. Minor renovations to provide lobby and main ED connectivity to the expansion will also be made. Additional renovations within the existing structure will be made to accommodate staff support spaces displaced by the connectivity renovation. Our estimate for construction related costs for the building are:

Building Construction Costs: \$ 1,306,150.00
A/E Fees: \$ 178,500.00

Sincerely,

James K Burke

Digitally signed by James K Burke
DN: cn=James K Burke, ou=Perkins Eastman,
ou,email=j.k.burke@perkinseastman.com,
c=US
Date: 2017.02.20 11:19:12 -0500

James K. Burke
Associate Principal
NC License # 8168

New York
Boston
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San Francisco
Stamford
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Toronto
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Guayaquil
Mumbai
Dubai

Perkins Eastman
Architects DPC
520 West Sixth Street
Charlotte, North Carolina 28202
t 704.940.0501

www.perkinseastman.com

ATTACHMENT B



CAROLINAS
HEALTHCARE SYSTEM
 PROJECT & CONSTRUCTION MANAGEMENT
 10000 University City Blvd
 Charlotte, NC 28203

| REVISIONS | |
|-----------|-------------|
| Number | Description |
| 1 | ISSUED |

DATE: 09/06/16
 DRAWN BY: AJR
 OSR # 2912330
 A/E: KJZ/DB
 CHS - Steele Creek
 13440 Shallowford Parkway Charlotte, NC
 28275

CHS STEELE CREEK ED ADDITION

SHEET NAME
**LEVEL 01 NEW WORK -
 FLOOR PLAN**

SHEET NUMBER
A101

FLOOR PLAN GENERAL NOTES

1. SEE ARCHITECTURAL PARTITION FINISHES SHEET 01-100 FOR FINISHES.
2. FLOOR FINISHES SHALL BE AS SHOWN ON SHEET 01-100.
3. ALL WALLS SHALL BE FINISHED WITH 1/2" GYPSUM BOARD OVER STUDS AND JOISTS.
4. CEILING SHALL BE FINISHED WITH 5/8" GYPSUM BOARD OVER JOISTS.
5. ALL INTERIORS SHALL BE FINISHED WITH 1/2" GYPSUM BOARD OVER STUDS AND JOISTS.
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