



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

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

November 21, 2018

Randi Shults
3916 Ben Franklin Blvd
Durham, NC 27704

Exempt from Review – Physician Office

Record #: 2778
Business Name: North Carolina Specialty Hospital, LLC
Business #: 1328
Project Description: Develop a physician office building
County: Durham

Dear Ms. Schults:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of November 13, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(9). 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 the Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed physician office.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by the Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Bernetta Thorne-Williams
Project Analyst

Martha J. Frisone
Chief, Healthcare Planning and
Certificate of Need Section

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR

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: 2701 Mail Service Center, Raleigh, NC 27699-2701
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3750 • FAX: 919-733-2757

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



3916 Ben Franklin Boulevard • Durham, NC 27704
P.O. Box 15819 • Durham, NC 27704

Record# 2778



November 6, 2018

Ms. Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
2704 Mail Services Center
Raleigh, NC 27699-2704

RE: Notice of Development of Exempt Physician Office Building by SPSC 751, LLC, and North Carolina Specialty Hospital, LLC

Dear Ms. Frisone:

I am writing on behalf of SPSC 751, LLC, and North Carolina Specialty Hospital, LLC regarding plans to develop a physician office building located at 7810 NC 751 Hwy., Durham NC 27713. The building will include three floors and will be approximately 49,500 square feet in size. The proposed physician office building will provide space for new physician practice locations and existing physician practices. SPSC 751, LLC, and North Carolina Specialty Hospital, LLC will incur the cost of building the shell building and will lease space to tenants. The tenants will be responsible for the cost of upfitting the space they lease.

SPSC 751, LLC, and North Carolina Specialty Hospital, LLC are requesting conformation that the development of the physician office building is exempt from Certificate of Need review in accordance with NCGS § 131E -184(a)(9). The statute explains that the Department shall exempt certain projects including:

(9) To develop or acquire a physician office building regardless of cost, unless a new institutional health service other than defined in G.S. 131E-176(16)b. is offered or developed in the building.

No new institutional health services will be offered at this site without obtaining prior Certificate of Need approval. The physician office building project will not result in a change of bed capacity or the addition of a health service facility or new institutional health service. The tenants who occupy space in the building will be responsible for seeking CON approval for any new institutional health service proposed.

This request shall serve as prior written notice of the proposed capital expenditure and includes documentation to support that this request meets the exemption criteria. Please do not hesitate to contact me at (919) 956-9301 if you need additional information. Thank you for your consideration of this information.

Sincerely,

Randi Shults
Chief Executive Officer