



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

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

October 24, 2018

Elizabeth Frock Runyon  
211 Friday Center Drive  
Suite G015  
Chapel Hill, NC 27517

**No Review**

**Record #:** 2750  
**Business Name:** UNC Hospitals  
**Business #:** 1900  
**Project Description:** Renovate two existing procedure rooms in a medical office building on UNC Hospitals' Hillsborough Campus  
**County:** Orange

Dear Ms. Runyon:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of October 17, 2018 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 the 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 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 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,

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





October 17, 2018

VIA ELECTRONIC MAIL

Ms. Martha Frisone  
NC Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section  
809 Ruggles Drive  
Raleigh, NC 27603  
Martha.Frisone@dhhs.nc.gov

RE: No Review Request by UNC Hospitals to renovate existing procedure room space at the Medical Office Building on UNC Hospitals' Hillsborough Campus

Dear Ms. Frisone:

UNC Hospitals provides this letter as notice to the Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section ("Agency") that it intends to renovate existing space at the medical office building it owns on the UNC Hospitals Hillsborough campus. Specifically, UNC Hospitals intends to renovate existing space to enlarge two (2) existing procedure rooms in this medical office building. UNC Hospitals seeks confirmation that this project does not implicate certificate of need ("CON") review and does not require a CON.

UNC Hospitals does not believe the proposal constitutes a "new institutional health service" as that term is defined in N.C. Gen. Stat. § 131E-176(16). Procedure rooms are not regulated by Certificate of Need law, and none of the services to be provided in the newly renovated procedure room space will be a new institutional health service. Further, the capital expenditure to renovate this space will be well under the \$2 million cost threshold of N. C. Gen. Stat. § 131E-176(16)(b).

For these reasons, UNC Hospitals does not believe that this minor renovation of space within an existing medical office building requires a certificate of need. We respectfully request written confirmation from the Agency that the project as described herein does not implicate CON review and does not require a CON.

Please don't hesitate to contact me at 984-215-3622 should you need any additional information or have any questions or concerns.

Sincerely,

A handwritten signature in cursive script, appearing to read "Elizabeth Frock Runyon".

Elizabeth Frock Runyon  
System Director of Regulatory Affairs  
Strategic Planning  
UNC Health Care System



North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section  
2704 Mail Service Center • Raleigh, North Carolina 27699-2704

Beverly Eaves Perdue, Governor  
Lanier M. Cansler, Secretary

[www.ncdhhs.gov/dhsr](http://www.ncdhhs.gov/dhsr)

Lee Hoffman, Section Chief  
Phone: 919-855-3873  
Fax: 919-733-8139

September 21, 2009

Dee Jay Zerman, Associate Director of Planning  
University of North Carolina Hospitals  
101 Manning Drive  
Chapel Hill NC 27514

RE: Exempt from Review/UNC Hospitals/Development of a physician office building on the proposed Hillsborough hospital campus/Orange County

Dear Ms. Zerman:

In response to your letter of September 2, 2009, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(9). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

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 this Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Michael J. McKillip, Project Analyst

Lee B. Hoffman, Chief  
Certificate of Need Section







UNC  
HOSPITALS

POB EXEMPT REQUEST

September 2, 2009

Mr. Michael J. McKillip  
Certificate of Need Section  
Division of Facilities Services  
Department of Health and Human Services  
Mail Services Center 2704  
Raleigh, NC 27699-2704

Sent  
9/2/09

RE: Request for a Determination of Exempt from Review / Development of a  
Physician Office Building / UNC Hospitals - Hillsborough Campus / Chatham  
County

Dear Mr. McKillip:

UNC Hospitals is planning to develop an office building located on the proposed Hillsborough Campus. The proposed office building is to be 3 stories tall with approximately 20,000 square feet per floor, for a total of approximately 60,000 square feet. The preliminary projected cost for the building is \$18,533,379. The building is to be constructed on a small portion of 83.4 acres that will constitute the UNC Hospitals - Hillsborough Campus (CON Project ID #J-8330-09). Located adjacent to the proposed hospital building, the physician office building will have a connection to the hospital building to allow patients, physicians, and staff easy access between the office building and the hospital.

The UNC Hospitals - Hillsborough Campus is located within the Waterstone Mixed-Use Development. The Town of Hillsborough has already approved the master plan for the development, allowing for more than 300 acres of land to be developed near the intersection of Old NC Highway 86 and US Interstate 40.

UNC Hospitals is requesting confirmation that the construction of this physician office building is exempt from review pursuant to G.S. 131E-184(a)(9). G.S. 131E-184(a)(9) which allows for the CON Section to exempt from review the construction of 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. At this time, plans are for the suites within the office building to be leased to provider-based practices, and not occupied by hospital-based clinics. For now, the office building is not being planned to house hospital-based clinics or to include any new institutional health services as defined in G.S. 131E-176(16)(b).

The individual floors of the office building will be designed to include modular physician office suites that can be grouped to different sizes as required. Further refinement of the space for specific tenants may occur over the next few years. The opening of the physician office building is being timed to coincide with the opening of the UNC Hospitals – Hillsborough Campus on 7/1/2013.

Please do not hesitate to contact me at 919-966-1129 if you need any additional information. Thank you for consideration of this matter.

Sincerely,

A handwritten signature in cursive script that reads "Dee Jay Zerman".

Dee Jay Zerman  
Associate Director of Planning  
Strategic Planning and Network Development  
UNC Hospitals  
919-966-5620

