



NC DEPARTMENT OF
HEALTH AND
HUMAN SERVICES

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

VIA EMAIL ONLY

October 28, 2019

Kristy Hubard
kristy.hubard@nhrmc.org

No Review

Record #: 3082
Facility Name: New Hanover Regional Medical Center
FID #: 943372
Business Name: New Hanover Regional Medical Center
Business #: 1308
Project Description: Relocate hospital based services, including medical oncology, pharmacy and infusion to a medical office building in Leland
County: New Hanover

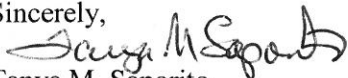
Dear Ms. Hubard:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence 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 that correspondence is not governed by, and therefore, does not currently require a certificate of need. 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.

You may 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.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office.

Please do not hesitate to contact this office if you have any questions.

Sincerely,

Tanya M. Saporito
Project Analyst


Martha J. Frisone
Chief

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, 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: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

Tanya, Saporito

From: Tanya, Saporito
Sent: Wednesday, October 09, 2019 10:44 AM
To: 'dlegarth@nc.rr.com'
Subject: RE: [External] NHRMC No Review Hospital-Based Services

Awesome. Thank you, David.

From: dlegarth@nc.rr.com <dlegarth@nc.rr.com>
Sent: Wednesday, October 09, 2019 10:43 AM
To: Tanya, Saporito <tanya.saporito@dhhs.nc.gov>
Subject: RE: [External] NHRMC No Review Hospital-Based Services

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Hi Tanya,

It is an existing MOB in Brunswick County where NHRMC has physician offices and diagnostic imaging services.

David

From: "Tanya, Saporito"
To: "dlegarth@nc.rr.com"
Cc:
Sent: Wednesday October 9 2019 10:27:45AM
Subject: RE: [External] NHRMC No Review Hospital-Based Services

Good morning David,

One quick question: is the MOB already in existence, or is the request also for the development of the MOB?

Thank you!

From: dlegarth@nc.rr.com <dlegarth@nc.rr.com>
Sent: Monday, October 07, 2019 9:10 PM
To: Waller, Martha K <martha.waller@dhhs.nc.gov>; Tanya, Saporito <tanya.saporito@dhhs.nc.gov>
Cc: 'Laura Rackley' <Laura.Rackley@nhrmc.org>; 'Nancy O'Dacre' <Nancy.ODacre@nhrmc.org>
Subject: [External] NHRMC No Review Hospital-Based Services

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Hi Tanya,

Attached please find the No Review letter that I mentioned in our phone conversation this afternoon.

David Legarth



Mail Address:
P.O. Box 1936
Apex, NC 27502

FedEx/UPS Address:
108 Curely Maple Court
Apex, NC 27502

Phone:
(919)244-7609

Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized State official. Unauthorized disclosure of juvenile, health, legally privileged, or otherwise confidential information, including confidential information relating to an ongoing State procurement effort, is prohibited by law. If you have received this email in error, please notify the sender immediately and delete all records of this email.

October 7, 2019

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

RE: No Review Request for Developing Hospital-Based Services in a Medical Office Building /
Brunswick County

Dear Ms. Frisone,

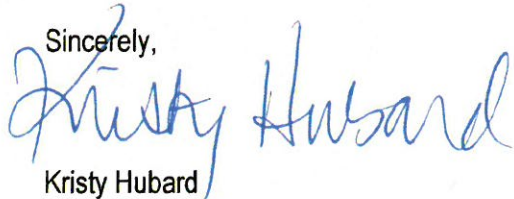
New Hanover Regional Medical Center ("NHRMC"), intends to relocate two hospital-based services, medical oncology and pharmacy and infusion, to a medical office building, the New Hanover Medical Group Brunswick Forest Office, at 1333 South Dickinson Drive, Leland, NC, 28451.

NHRMC intends to renovate 8,075 square feet of space in the MOB to accommodate this relocation (see Attachment 1, which is the floor plan designating this space). The purpose of this letter is to request confirmation that the relocation of these hospital-based services into the MOB are not subject to CON review. These services do not involve a "new institutional health service" as defined by N.C.G.S. § 131 E-176(16) nor do the total project cost to develop these relocated services exceed \$2.0 million, inclusive of renovation costs, architect and engineering fees, furniture and equipment, moving, and contingencies.

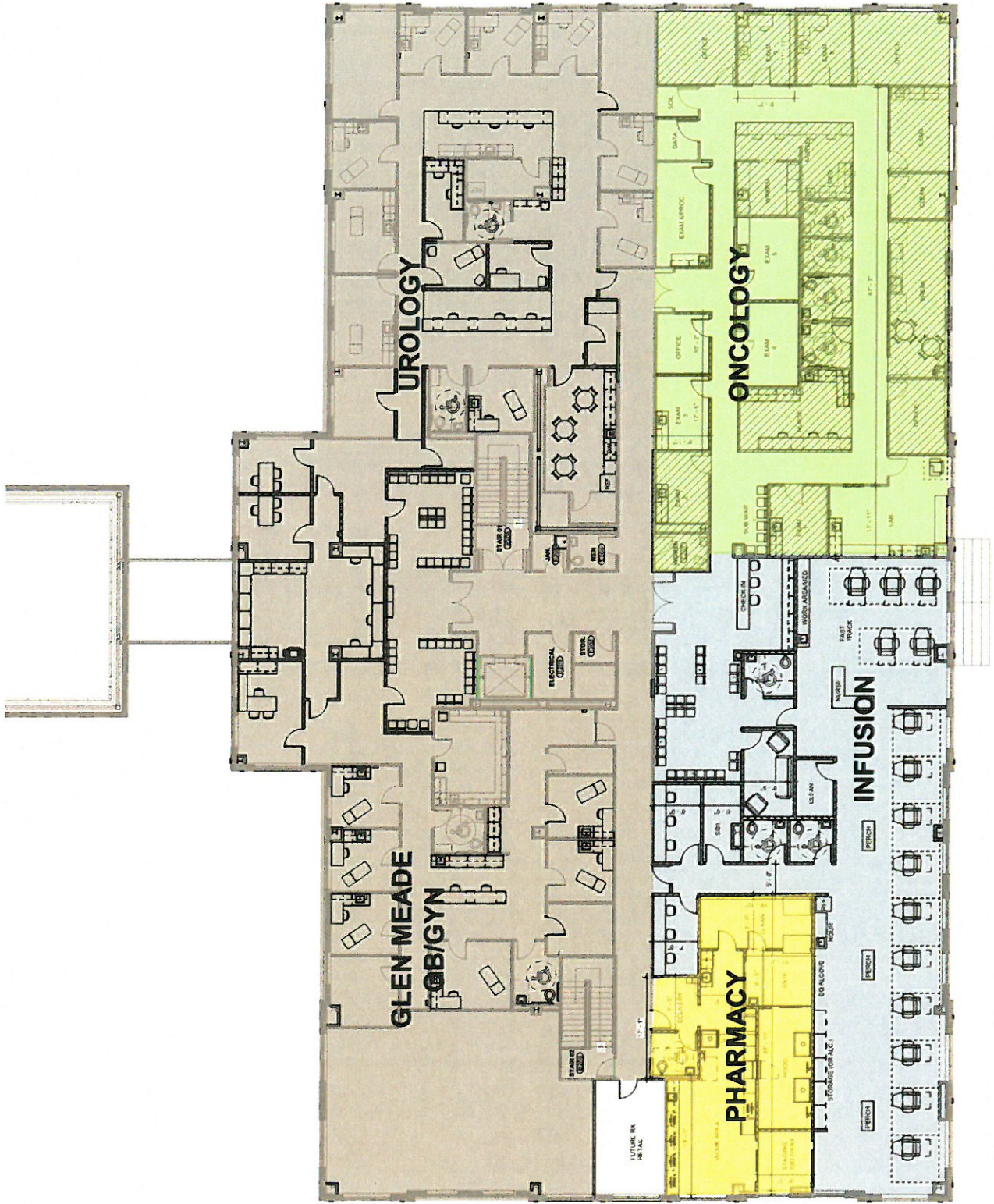
Please see Attachment 2 for a letter from the project architect certifying the cost to renovate the portion of the MOB to house the hospital-based services. In addition, please see Attachment 3 for detailed cost breakdown for the hospital-based services portion of the project. The total cost associated with the hospital-based services is \$1.94 million, which is below the \$2.0 million threshold. Additionally, no medical diagnostic equipment totaling \$500,000 or more will be located in the MOB requiring a certificate of need for a diagnostic center.

Based upon the project as described above and the attachments, NHRMC requests that the Healthcare Planning and Certificate of Need Section confirm that the relocation of the hospital-based services outlined in this letter do not constitute a "new institutional health service" and therefore do not require a Certificate of Need. If you have any questions or require further information regarding this request, please contact me at (910) 815-5908.

Sincerely,



Kristy Hubard
Chief Strategy Officer

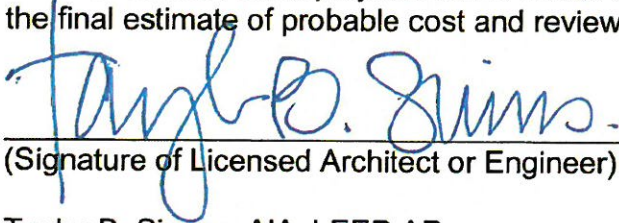


PROPOSED CONSTRUCTION COST

Project Name: Brunswick Forest Medical Office Building – NHRMC Oncology Renovation

I certify that, to the best of my knowledge, the construction estimate of probable cost for the proposed project in the amount of \$1,940,000 is complete and accurate.

This estimate of probable construction cost is based on recent upfits within the same facility as well as other similar recent projects with a similar type of use. An escalation factor was used as part of the final estimate of probable cost and reviewed with in-house Construction Services.

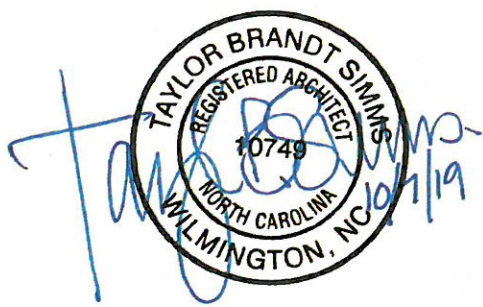


(Signature of Licensed Architect or Engineer)

10/7/2019
Date

Taylor B. Simms, AIA, LEED AP
Director of Facility Planning
New Hanover Regional Medical Center
2131 S. 17th Street
Wilmington, NC 28402

NC Professional Registration No. 10749



Capital Cost	Column B		Column D Total
	Applicant 1: NHRMC	(identify) Column B + Column C	
Building Purchase Price	N/A	N/A	N/A
Purchase Price of Land	N/A	N/A	N/A
Closing Costs	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Construction/Renovation Contract(s)	\$1,570,000	\$1,570,000	\$1,570,000
Landscaping	N/A	N/A	N/A
Architect / Engineering Fees	\$130,000	\$130,000	\$130,000
Medical Equipment	\$90,000	\$90,000	\$90,000
Non Medical Equipment	\$50,000	\$50,000	\$50,000
Furniture	\$25,000	\$25,000	\$25,000
Consultant Fees (CON Filing)	\$0	\$0	\$0
Financing Costs	N/A	N/A	N/A
Interest during Construction	N/A	N/A	N/A
Other (specify) - Owner Costs	\$75,000	\$75,000	\$75,000
Total Capital Cost	\$1,940,000	\$1,940,000	\$1,940,000