

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor KODY H. KINSLEY • Secretary MARK PAYNE • Director, Division of Health Service Regulation

## VIA EMAIL ONLY

February 13, 2023

Melissa Shearer melissa.shearer@conehealth.com

# Exempt from Review

Record #:	4133
Date of Request:	February 7, 2023
Facility Name:	The Moses H. Cone Memorial Hospital
FID #:	943494
Business Name:	The Moses H. Cone Memorial Hospital Operating Corporation
Business #:	1815
Project Description:	Renovate, reconfigure and expand the footprint of the cardiac catheterization labs
	and first floor of the Heart and Vascular Center on the main campus
County:	Guilford

Dear Ms. Shearer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that 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.

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.

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

Sincerely,

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Terris S. Riley, J.D., Project Analyst

Micheala Mitthe

Micheala Mitchell, 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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



Strategy and Planning 1200 North Elm Street Greensboro, NC 27401-1020 336.663.5600 www.conehealth.com

February 6, 2023

Ms. Micheala Mitchell, Chief Mr. Greg Yakabowski, Project Analyst Healthcare Planning and Certificate of Need Section Division of Health Service Regulation, NC DHHS 2704 Mail Service Center Raleigh, NC 27699-2704

Re: Exemption Request to Renovate Space at The Moses H. Cone Memorial Hospital

Dear Ms. Mitchell and Mr. Yakabowski:

I am writing you pursuant to N.C.G.S. § 131E-184(g) and N.C.G.S. 131E-176(14n) to inform you that Cone Health intends to renovate, reconfigure, and expand the footprint of the cardiac catheterization labs and first floor of the Heart and Vascular Center at The Moses H. Cone Memorial Hospital, and to request the Agency confirm that the project is exempt from certificate of need review.

Under the provisions found at N.C.G.S. §131-184(g), the CON law provides:

- (g) The Department shall exempt from certificate of need review any capital expenditure that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. §131E-176(16)b if any of the following conditions are met:
  - (1) The sole purpose of the capital expenditure is to renovate, replace on the same site, or expand the entirety or portion of an existing health service facility that is located on the main campus.
  - (2) The capital expenditure does not result in (i) a change in bed capacity as defined in G.S. §131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service other than that allowed in G.S. §131E-176(16)b.
  - (3) The licensed health service facility proposing to incur the capital expenditure shall provide written notice to the Department along with support documentation to demonstrate that it meets the exemption criteria of this subsection

N.C.G.S §131E-176b(16)b of the CON law provides, "Except as otherwise provided in G.S. §131E-184(e), the obligation by any person of a capital expenditure exceeding four million dollars (\$4,000,000) to develop or expand a health service or a health service facility, or which relates to the provisions of a health service. The cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities including staff effort and consulting and other services, essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure is made shall be included in determining if the expenditure exceeds four million dollars (\$4,000,000). Beginning September 30, 2022, and on September 30 each year thereafter, the amount in this sub-subdivision shall be adjusted using the Medical Care Index Ms. Micheala Mitchell Mr. Greg Yakabowski Page 2

component of the Consumer Price Index published by the U.S. Department of Labor for the 12month period preceding the previous September 1."

Under the provisions found at N.C.G.S. §131E-176(14n), the CON law states:

Main campus' means all of the following for the purposes of G.S. §131E-184(f) and (g) only:

- a. The site of the main building from which a licensed health service facility provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building.
- b. Other areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building.

The Moses H. Cone Memorial Hospital's project to renovate, reconfigure and expand the first floor and cardiac catheterization labs meets the applicable conditions set forth above. The estimated capital cost of the project exceeds \$4,000,000. The sole purpose of the proposed project involves the renovation and reconfiguration of an existing health service facility located at 1200 North Elm Street Greensboro, NC 27401, which is the main campus from which The Moses H. Cone Memorial Hospital provides clinical patient services. Preston Hammock serves as the President of The Moses H. Cone Memorial Hospital and Senior Vice President of Cone Health. In his role as President of The Moses H. Cone Memorial Hospital, he exercises administrative and financial control of the hospital. Mr. Hammock's office is located in Suite 1M213 on the first floor of The Moses H. Cone Memorial Hospital. Please see a copy of The Moses H. Cone Memorial Hospital 2023 license in Attachment A, including documentation that cardiac catheterization services are already provided on this campus.

This project consists of renovation, reconfiguration, and expansion of the footprint of the building only and does not involve a change in bed capacity as defined in N.C.G.S. §131E-176(5) or the addition of a health service facility or a new institutional health service. The project will not change the number of CON-approved and licensed cardiac catheterization labs or replace any equipment. The project will not result in the acquisition of any major medical equipment, or the offering of health services not currently provided.

Based upon the project as described above, this project is exempt from CON review. This letter serves as notification of our intent to proceed with this project. We would appreciate your written confirmation that this project is exempt from CON review. If you have any questions or require further information regarding this project, please contact me at 336.682-9742.

Sincerely,

Melissa K. Shearer

Melissa K. Shearer (Feb 6, 2023 17:58 EST) Melissa K. Shearer Executive Director Strategy and Planning

Enclosures

cc: Preston Hammock, President, The Moses H. Cone Memorial Hospital Ruth Fisher, Vice President, Heart & Vascular Center Karin Henderson, Executive Director, Construction Management

Attachment A

The Moses H. Cone Memorial Hospital License Renewal Application

State of Morth Carolina Department of Health and Human Services Division of Health Service Regulation

Effective January 1, 2023, this license is issued to

The Moses H. Cone Memorial Hosp Operating Corporation

to operate a hospital known as Cone Health

located at Greensboro, NC, Guilford County.

This license is issued subject to the statutes of the State of North Carolina, is not transferable and shall remain in effect until amended by the issuing agency.

Facility ID: 943494

License Number: H0159

Bed Capacity:883

General Acute: 754 Rehabilitation: 49 Psych: 80

Dedicated Inpatient Surgical Operating Rooms: 4 Dedicated Ambulatory Surgical Operating Rooms: 13 Shared Surgical Operating Rooms: 29 Dedicated Endoscopy Rooms: 6

License Categories:

.5200 Dedicated Inpatient Unit for mental disorders

Authorized by:

Secretary, N.C. Department of Health and Human Services



Director, Division of Health Service Regulation

All responses should pertain to October 1, 2020 through September 30, 2021.

## 8. Specialized Cardiac Services *continued* (for questions, call Healthcare Planning at 919-855-3865)

#### b. Cardiac Catheterization and Electrophysiology

Cardiac Catheterization, as defined in NCGS 131E- 176(2g)	Diagnostic Cardiac Catheterization**	Interventional Cardiac Catheterization***		
1. Number of Units of Fixed Equipment	7			
2. Number of Procedures* Performed in Fixed Units on Patients Age 14 and younger	2,871	1,187		
3. Number of Procedures* Performed in Fixed Units on Patients Age 15 and older	0	0		
4. Number of Procedures* Performed in Mobile Units	0	0		
Dedicated Electrophysiology (EP) Equipment				
5. Number of Units of Fixed Equipment		1		
6. Number of Procedures on Dedicated EP Equipment	992			

\*A procedure is defined as one visit or trip by a patient to a catheterization laboratory for a single or multiple catheterizations. Count each visit only once, regardless of the number of diagnostic, interventional, and/or EP catheterizations performed during that visit. For example, if a patient has both a diagnostic and an interventional procedure in one visit, count it as one interventional procedure.

\*\* "a cardiac catheterization procedure performed for the purpose of detecting and identifying defects or diseases in the coronary arteries or veins of the heart, or abnormalities in the heart structure, but not the pulmonary artery." 10A NCAC 14C .1601(9)

\*\*\* "a cardiac catheterization procedure performed for the purpose of treating or resolving anatomical or physiological conditions which have been determined to exist in the heart or coronary arteries or veins of the heart, but not the pulmonary artery." 10A NCAC 14C .1601(16)

Number of fixed or mobile units of grandfathered cardiac catheterization equipment	
owned by hospital (i.e., equipment obtained before a CON was required):	2

For questions, please contact Healthcare Planning and Certificate of Need at 919-855-3873.

CON Project ID numbers for all <u>non-grandfathered</u> fixed or mobile units of cardiac catheterization equipment owned by hospital:

G-1382-80, G-1835-83, G-406-92, G-6132-99, G-7206-05

Name of Mobile Vendor, if not owned by hospital:

Number of 8-hour days per week the mobile unit is onsite: 8-hour days per week.

(Examples: Monday through Friday for 8 hours per day is 5 8-hour days per week. Monday, Wednesday, & Friday for 4 hours per day is 1.5 8-hour days per week)