



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

November 8, 2023

Emily Cromer
Emily.cromer@unchealth.unc.edu

Exempt from Review

Record #: 4311
Date of Request: November 3, 2023
Facility Name: UNC REX Hospital
FID #: 953429
Business Name: Rex Hospital, Inc.
Business #: 1554
Project Description: Construction of a new bed tower
County: Wake

Dear Emily Cromer:

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,

Crystal Kearney
Project Analyst

Micheala Mitchell
Chief

cc: Acute and Home Care Licensure and Certification Section
Construction 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

From: [Mckillip, Mike](#)
To: [Stancil, Tiffany C](#)
Subject: FW: [External] UNC Rex Exemption Notices
Date: Friday, November 3, 2023 12:50:11 PM
Attachments: [2023.11 Rex Bed Tower Main Campus CON Exemption Notice.pdf](#)
[2023.11 Rex Chiller & Parking CON Exemption Notice.pdf](#)

Happy Friday, Tiffany!

These are both Wake County so they can go to Crystal. Thanks.

Mike

Michael McKillip

Team Leader, Certificate of Need
Division of Health Service Regulation, Healthcare Planning and Certificate of Need
[NC Department of Health and Human Services](#)

Office: 919-855-3877 (I am in the office on Wednesday and Friday, and can best be reached by email on Monday, Tuesday and Thursday.)
mike.mckillip@dhhs.nc.gov

809 Ruggles Drive, Edgerton
2704 Mail Service Center
Raleigh, NC 27699

Don't wait to vaccinate. Find a COVID-19 vaccine location near you at [MySpot.nc.gov](https://www.myspot.nc.gov).

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From: Cromer, Emily <Emily.Cromer@unchealth.unc.edu>
Sent: Friday, November 3, 2023 12:36 PM
To: Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>; Mckillip, Mike <mike.mckillip@dhhs.nc.gov>
Subject: [External] UNC Rex Exemption Notices

CAUTION: External email. Do not click links or open attachments unless verified. Report suspicious emails with the Report Message button located on your Outlook menu bar on the Home tab.

Micheala and Mike,

Attached are two exemption notices for UNC Rex Hospital:

1. Rex Bed Tower Main Campus CON Exemption
2. Rex Chiller & Parking CON Exemption

Please confirm receipt and of course, let me know if you have any questions.

Thank you – have a great weekend!

Emily

Emily Cromer
Director of Regulatory Affairs & Facility Strategy
UNC Health
(984) 215-6213
emily.cromer@unchealth.unc.edu

----- Confidentiality Notice -----

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November 3, 2023

VIA ELECTRONIC MAIL

Micheala Mitchell, Chief
Mike McKillip, Team Leader
CON Section
Division of Health Service Regulation
2704 Mail Services Center
Raleigh, NC 27699-2704

Re: Rex Hospital, Inc.'s Exemption Notice Regarding New Bed Tower Construction

Dear Ms. Mitchell and Mr. McKillip:

Pursuant to N.C. Gen. Stat. § 131E-184(g), Rex Hospital, Inc. ("UNC Rex") gives this prior written notice of a proposed exempt project. UNC Rex is planning construction of a new bed tower on the UNC Rex main campus ("Bed Tower") located at 4420 Lake Boone Trail in Raleigh, North Carolina. The new Bed Tower will be adjacent and connected to the current main campus hospital building and will have the same address.

Exemption Provisions

This planned Bed Tower (the "Exempt Project") falls within the "Main Campus Exemption Provisions" in N.C. Gen. Stat. § 131E-184(g)(1)-(3). Main Campus Exemption Provisions provide as follows:

- "(g) The Department shall exempt from certificate of need review any capital expenditure that exceeds the four million dollar (\$4,000,000) threshold set forth in G.S. 131E-176(16)b. if all 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 a 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 prior written notice to the Department,

along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.”

For the purposes of the foregoing Main Campus Provisions in Section 131E-184(g), the term “main campus” is defined in N.C. Gen. Stat. § 131E-176(14n) as follows:

“(14n) “Main campus” means all of the following for the purpose 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.”

As you know, UNC Rex is a licensed hospital and is thus an existing licensed “health service facility” under the CON Law. See N.C. Gen Stat. § 131E-176(9). Here, the proposed Bed Tower will actually be connected to the existing UNC Rex main campus hospital building. See Exhibit 1. Clinical patient services, financial control, and administrative control of UNC Rex are all provided in the Main Campus Hospital Building, to which the proposed new Bed Tower will be connected.

Project Summary

The new Bed Tower, expected to open in 2030, will be constructed adjacent and connected to UNC Rex’s Main Campus Hospital Building. The Bed Tower will connect to the Main Campus Hospital Building on Levels 0, 1, and 2. The primary purpose of the new Bed Tower will be to provide replacement operating rooms and licensed acute care beds. Surgical services, including related support services, will be located on Levels 1 and 2. Three bed units will be located on Levels 4, 5, and 6. Additional support functions will be located on Level 0 and the mechanical penthouse will be located on Level 3. See Exhibit 2.

In accordance with Section 131E-184(g)(1), the sole purpose of the project is to renovate, replace, or expand a portion of the existing UNC Rex hospital facility on the main campus, including acute care beds and operating rooms as described above. Only existing health services currently offered at UNC Rex will be provided as a result of this Exempt Project.

In accordance with Section 131E-184(g)(2), the Exempt Project will “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 other new institutional health service facility other than that allowed in G.S. 131E-176(16)b.” No new operating rooms will be developed and no major medical equipment will be acquired as a result of this Exempt Project. The capital cost for the project will exceed \$4 million.

Finally, In accordance with Section 131E-184(g)(3), this correspondence serves as prior written notice to the Agency of Rex's planned Exempt Project.

Conclusion

It is our understanding and belief that all aspects of this project to develop a new Bed Tower on UNC Rex's main campus are exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(g), and UNC Rex requests written confirmation of such understanding. Please do not hesitate to contact me at emily.cromer@unchealth.unc.edu if you have any questions, and thank you in advance for your attention to this matter.

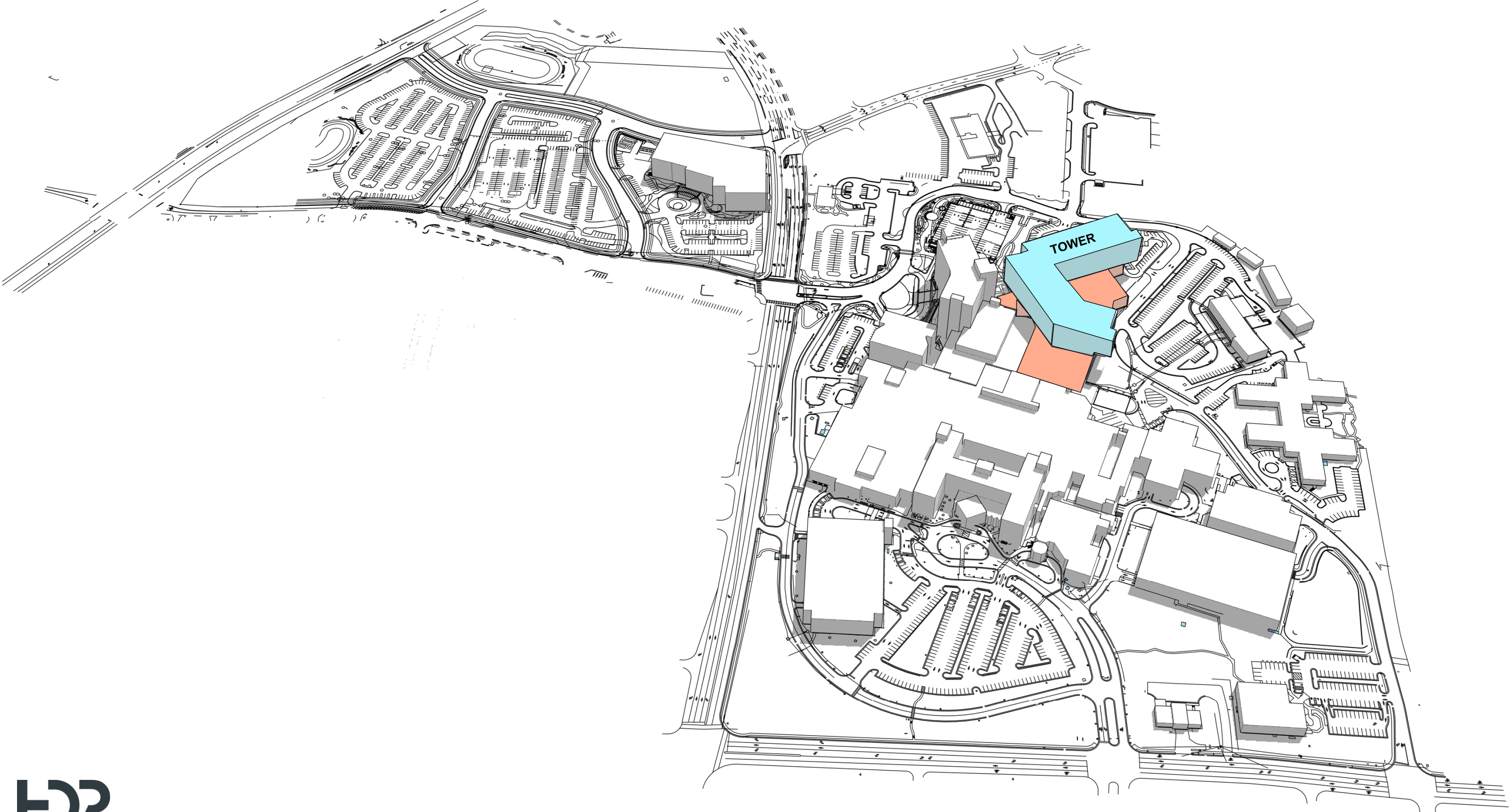
Sincerely,

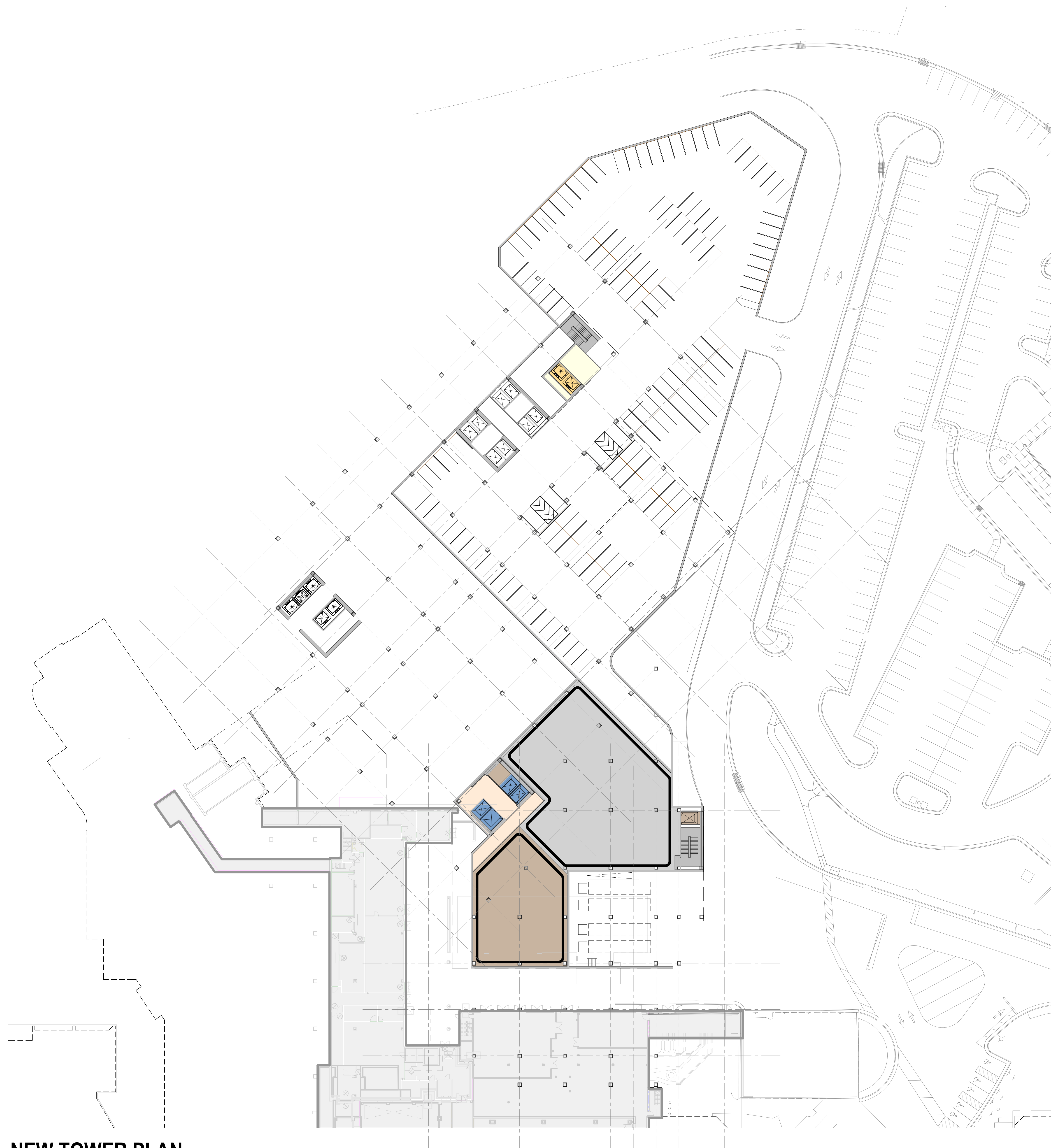
Emily Cromer

Emily Cromer
Director of Regulatory Affairs & Facility Strategy
UNC Health

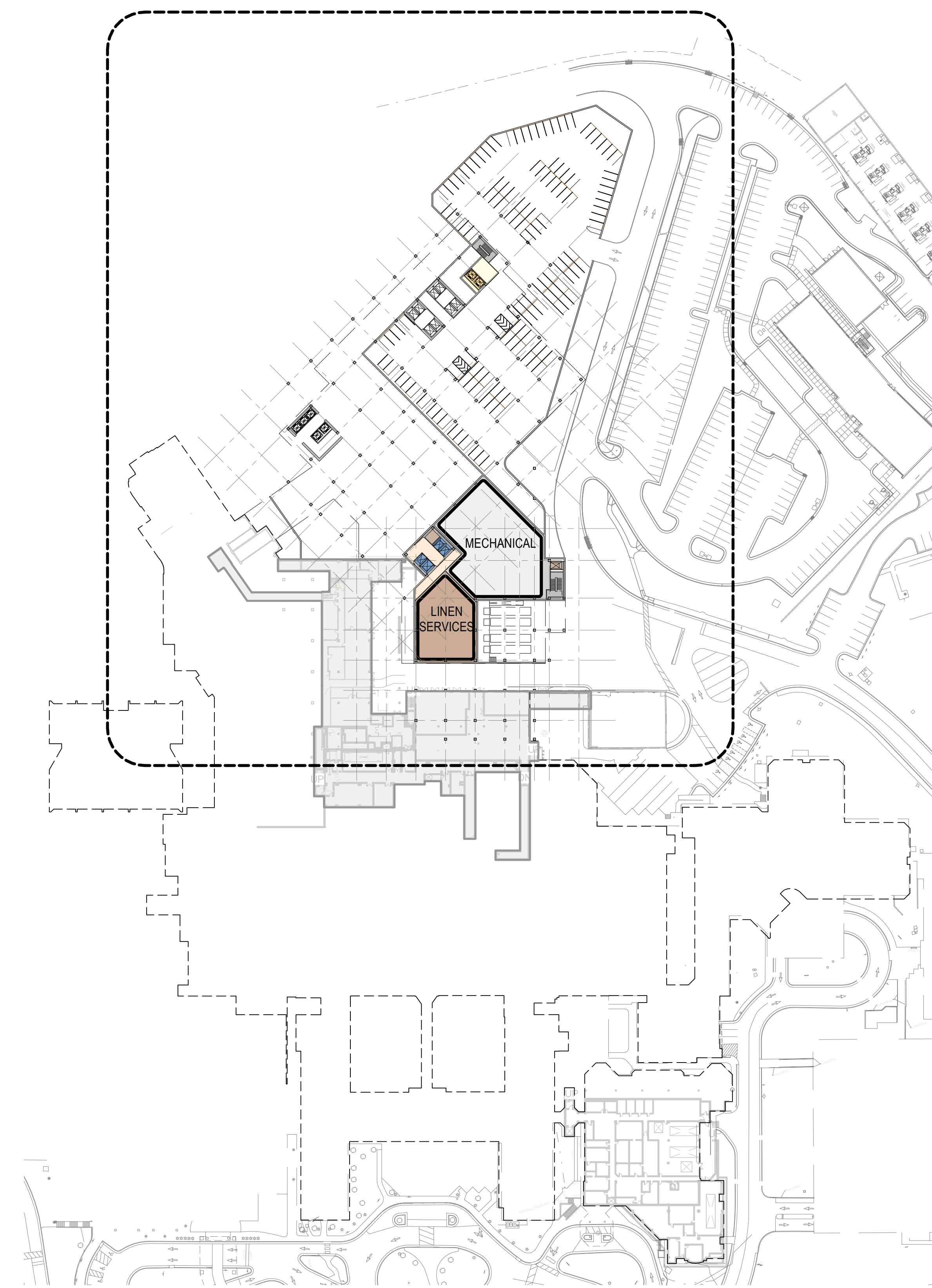
UNC Rex CAMPUS PLAN

08/01/2023






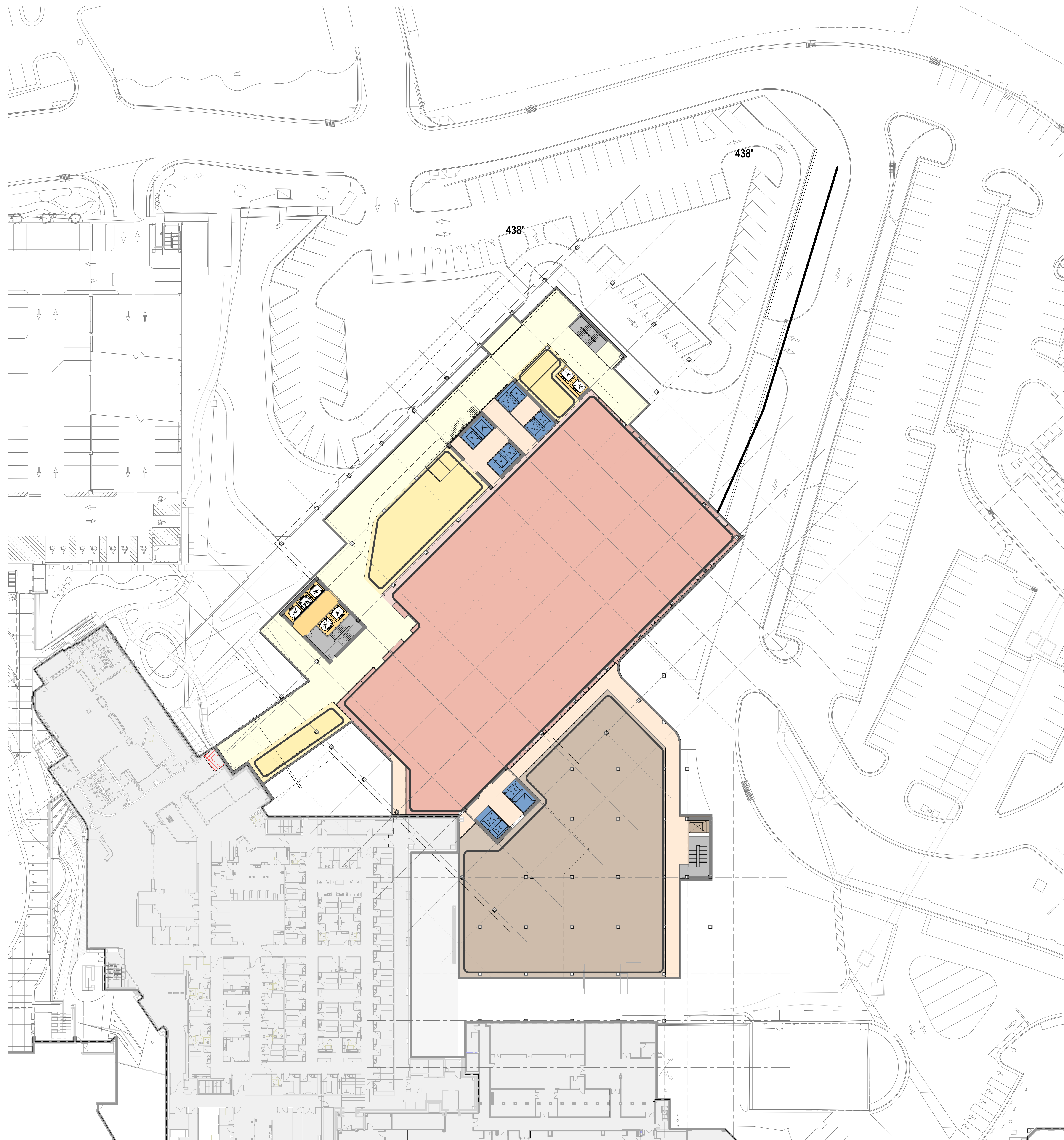


NEW TOWER PLAN

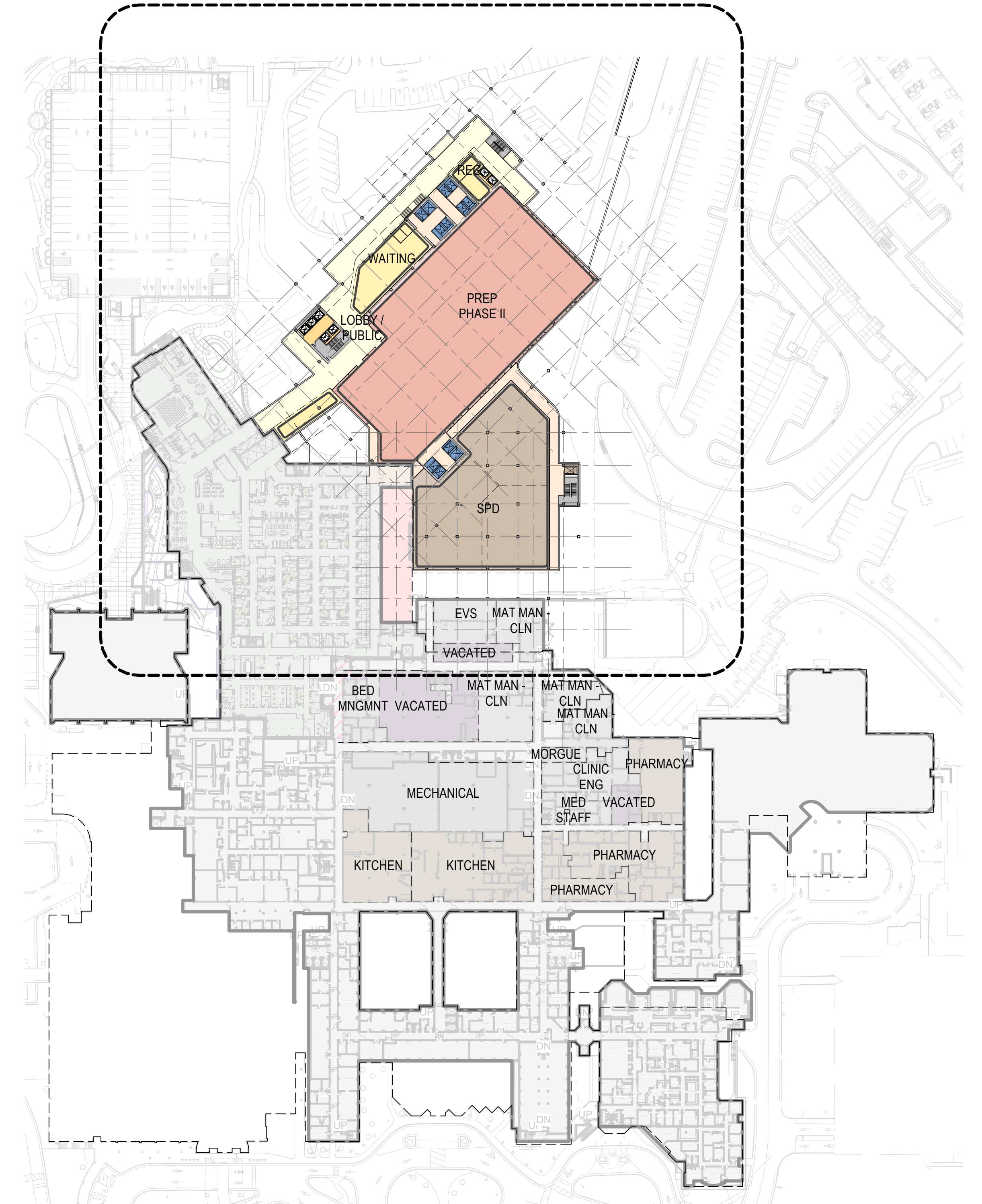


OVERALL PLAN

SUMMARY DETAILS	
DEPARTMENT	
	Linen Services
	Mechanical Support
	Public / Lobby



NEW TOWER PLAN

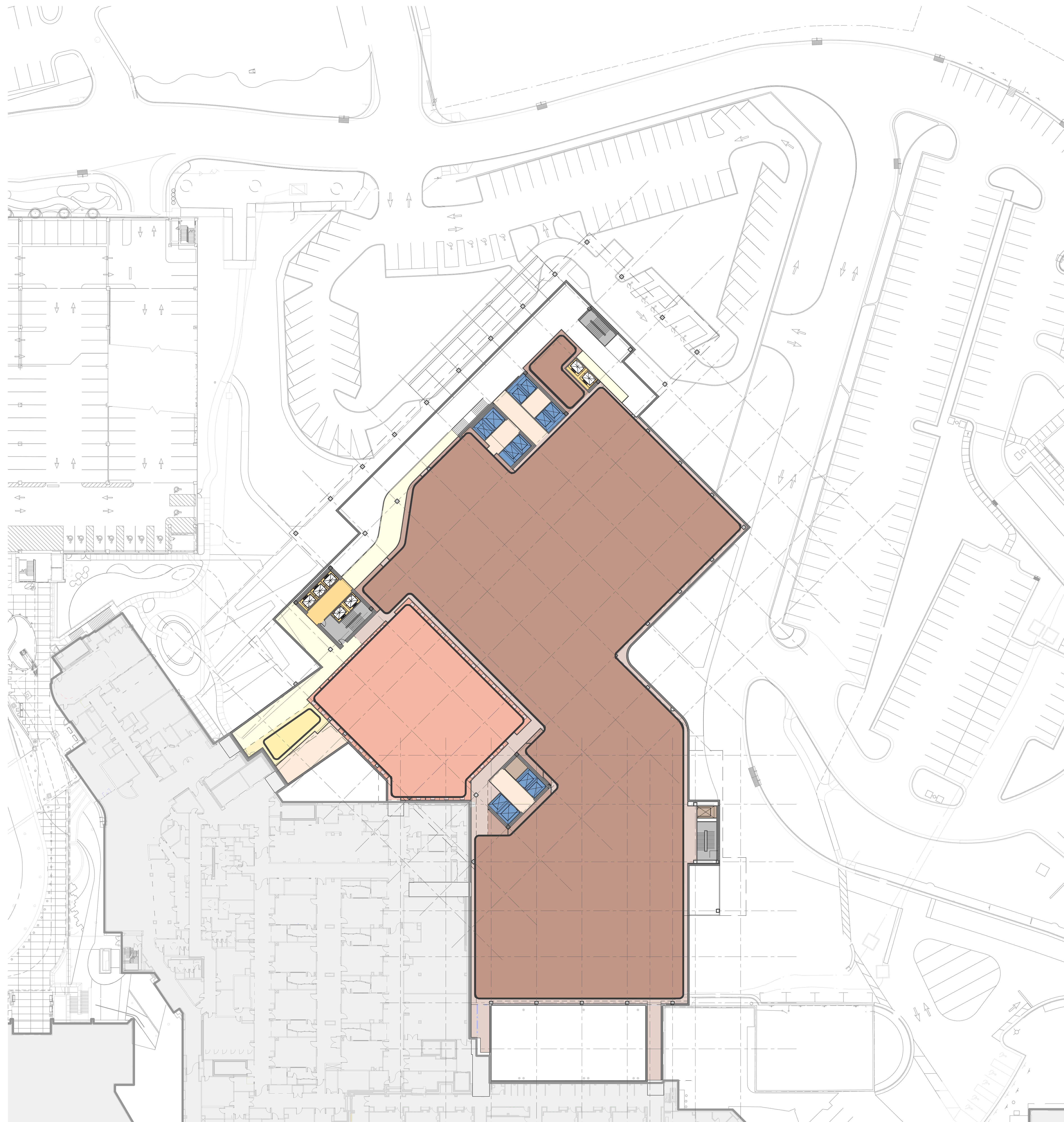


OVERALL PLAN

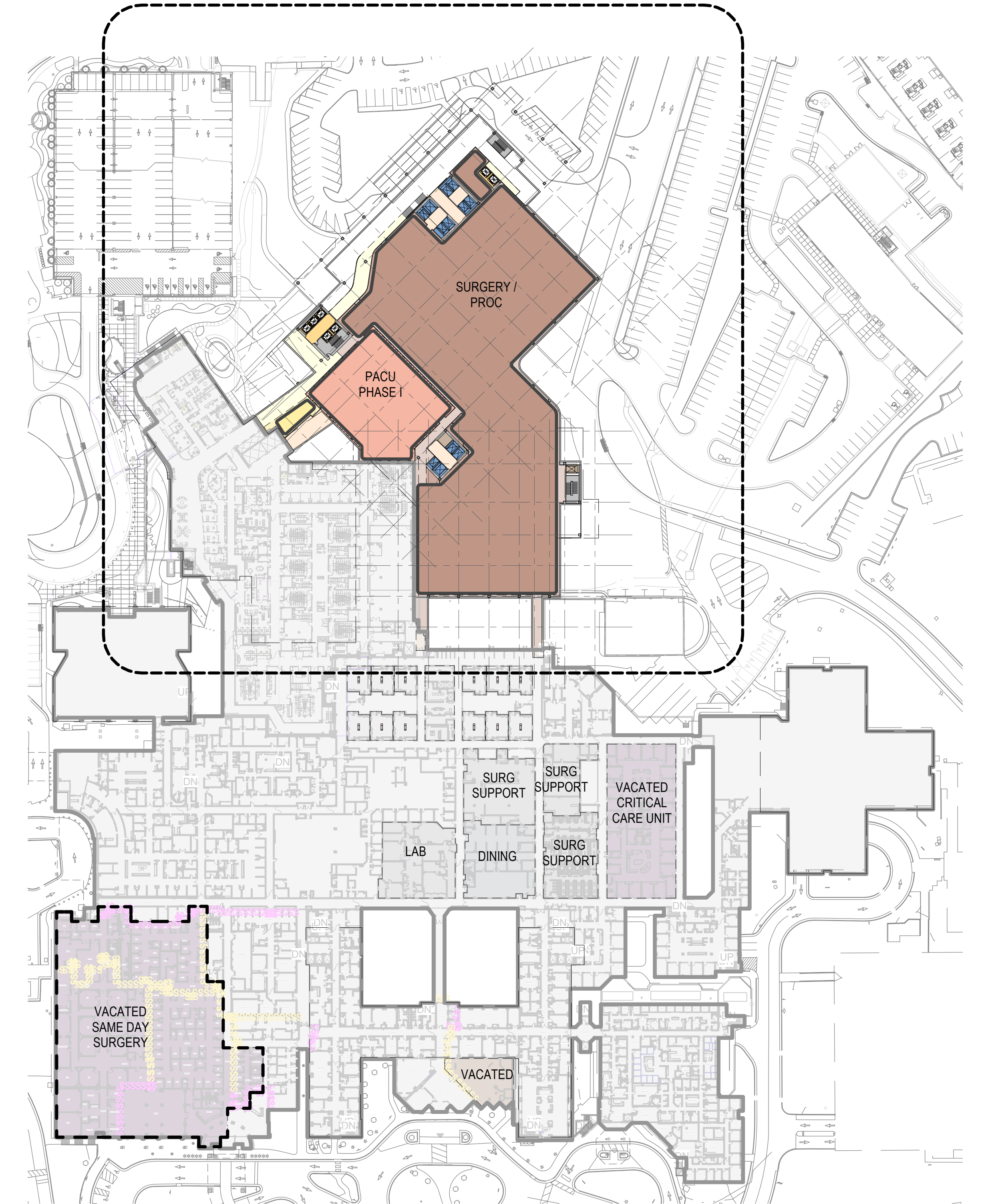
SUMMARY DETAILS

DEPARTMENT

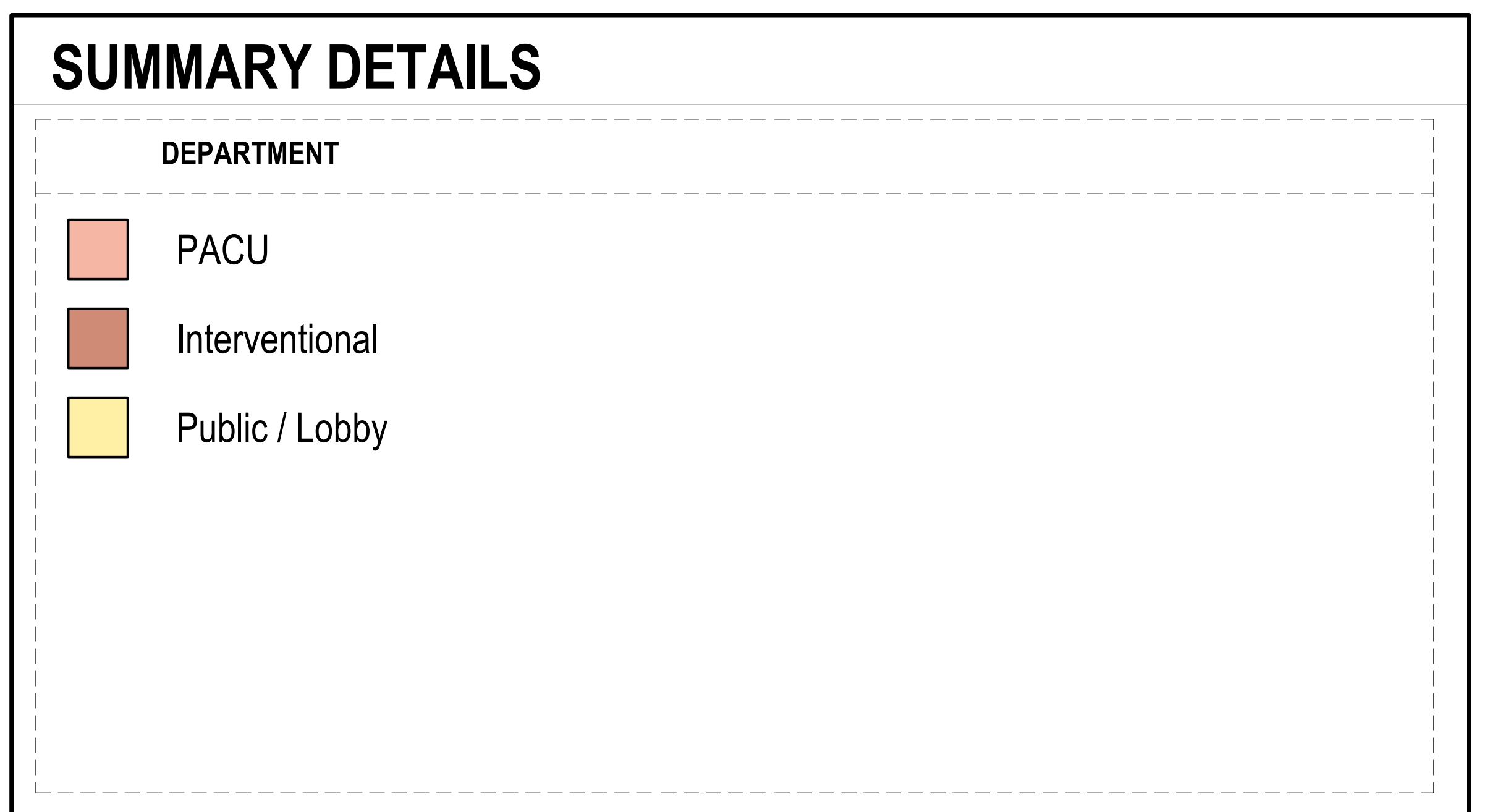
- Prep / Phase II
- Central Sterile Processing
- Public / Lobby



NEW TOWER PLAN

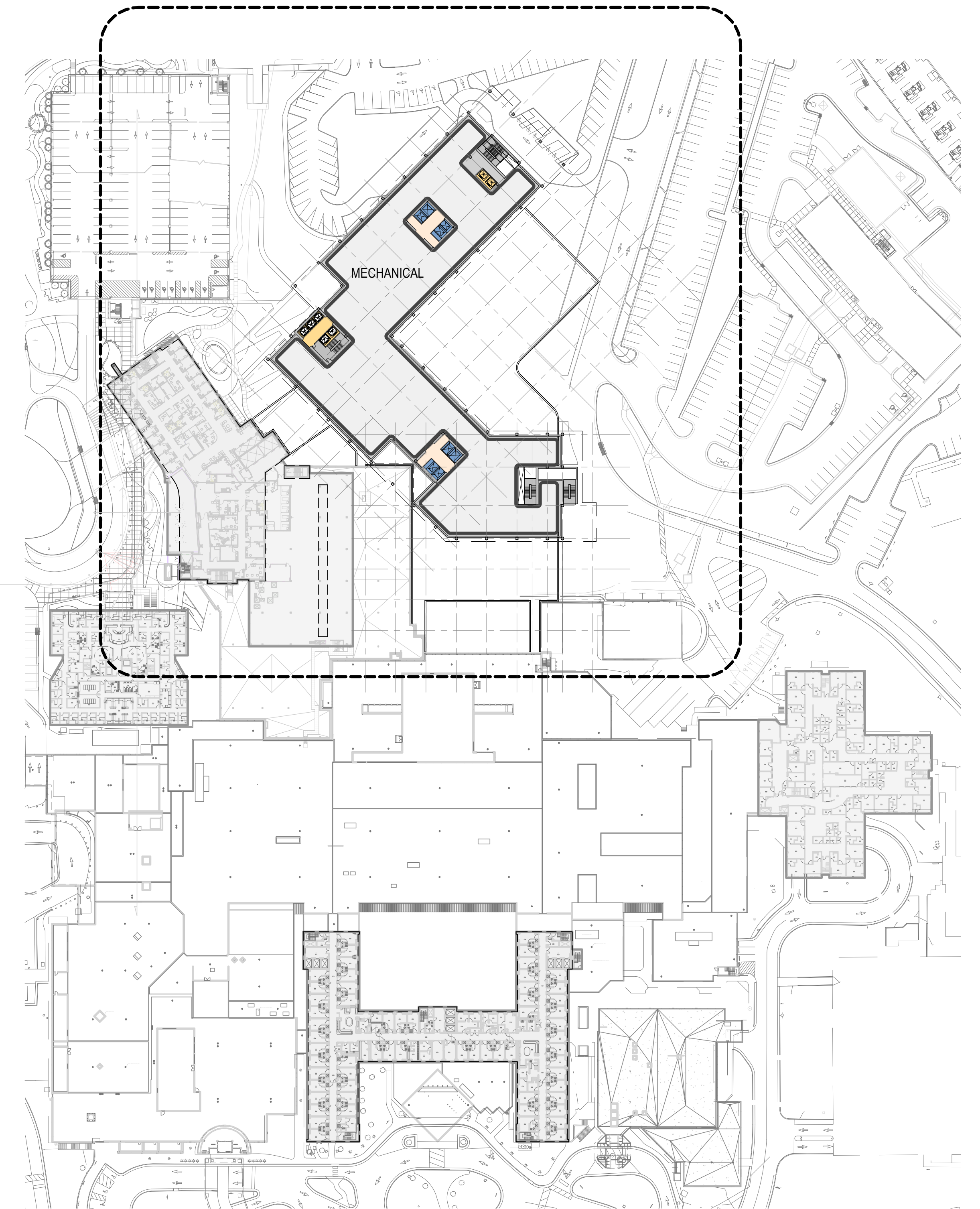


OVERALL PLAN





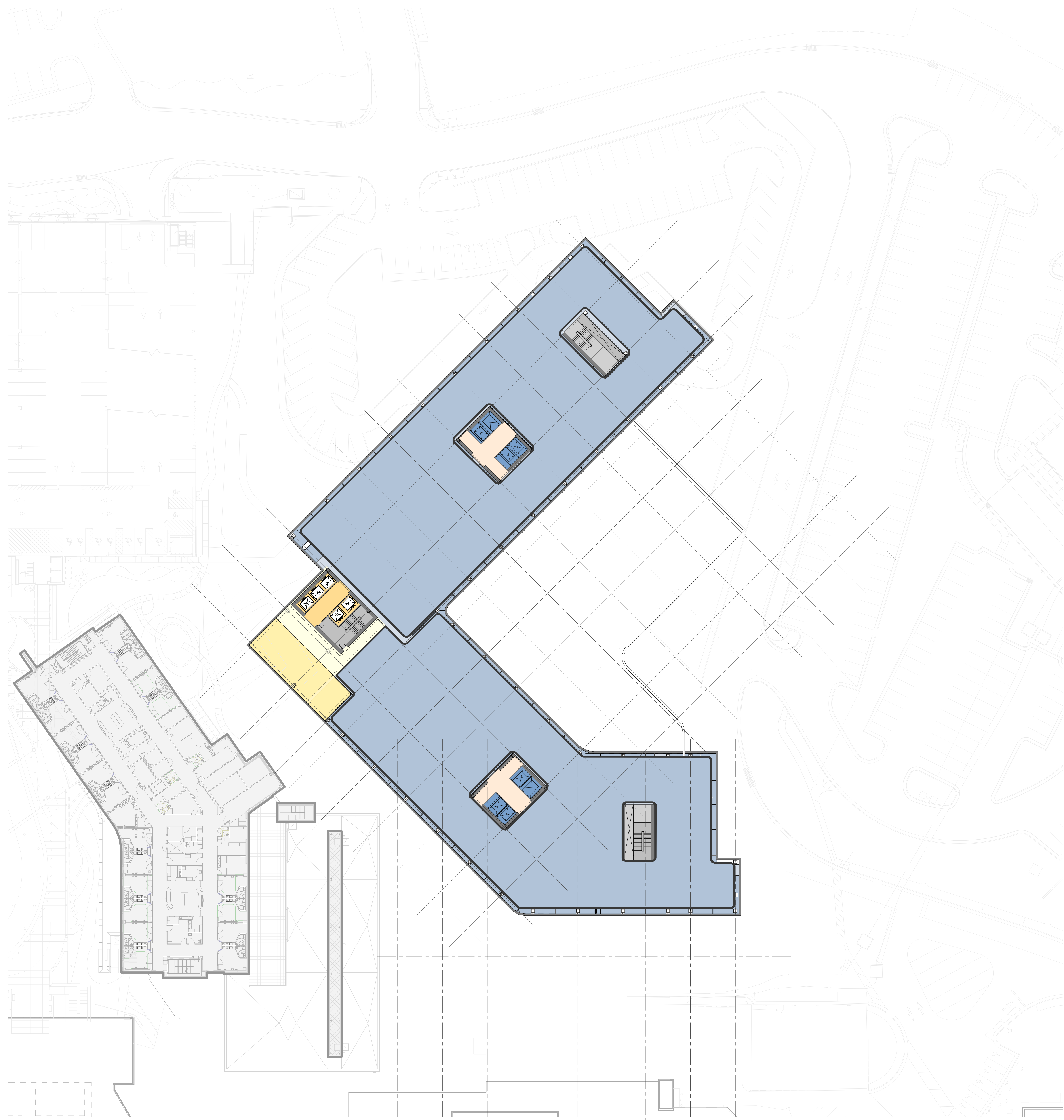


NEW TOWER PLAN

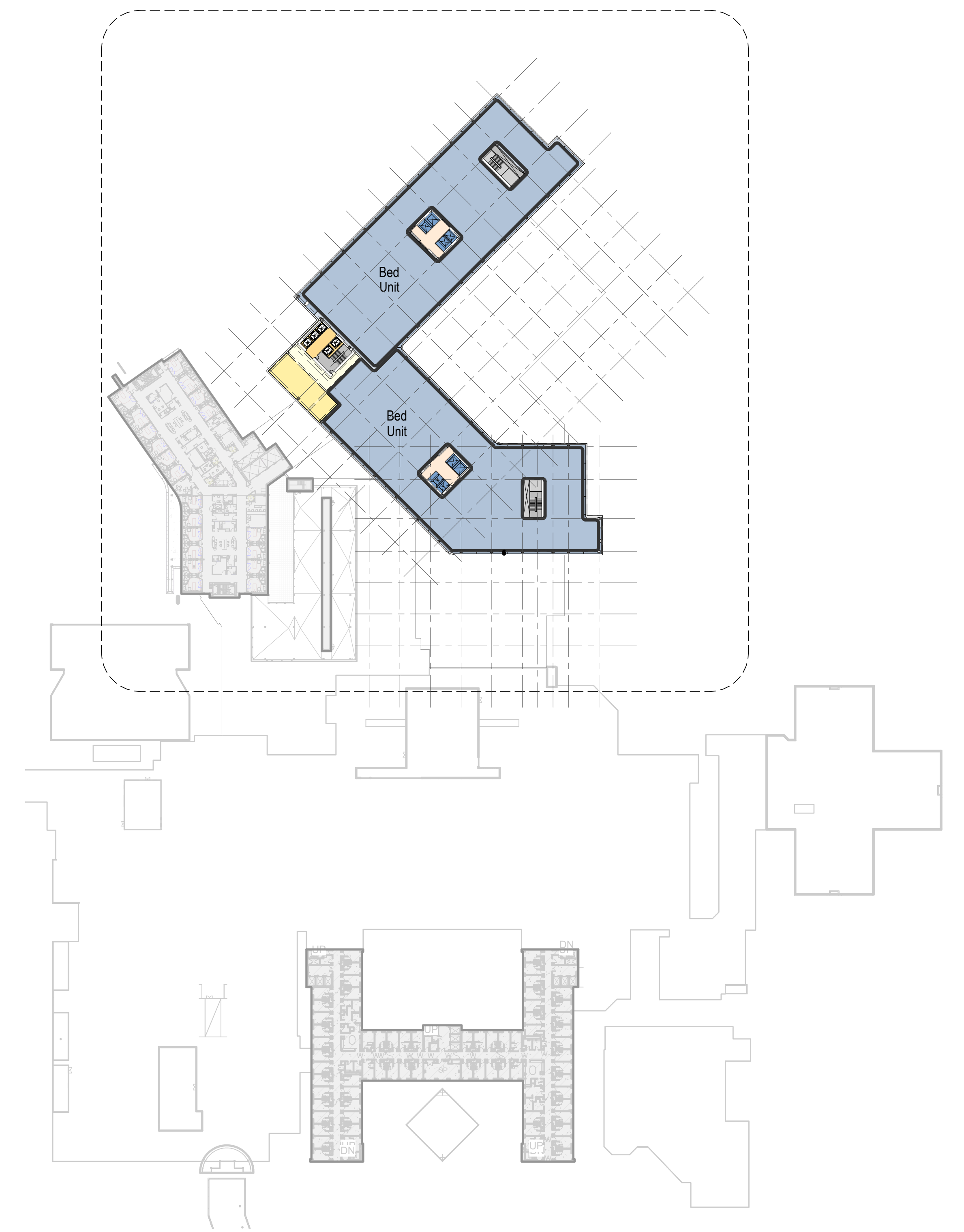


OVERALL PLAN

SUMMARY DETAILS	
DEPARTMENT	
	Mechanical Penthouse
	Public / Lobby



NEW TOWER PLAN

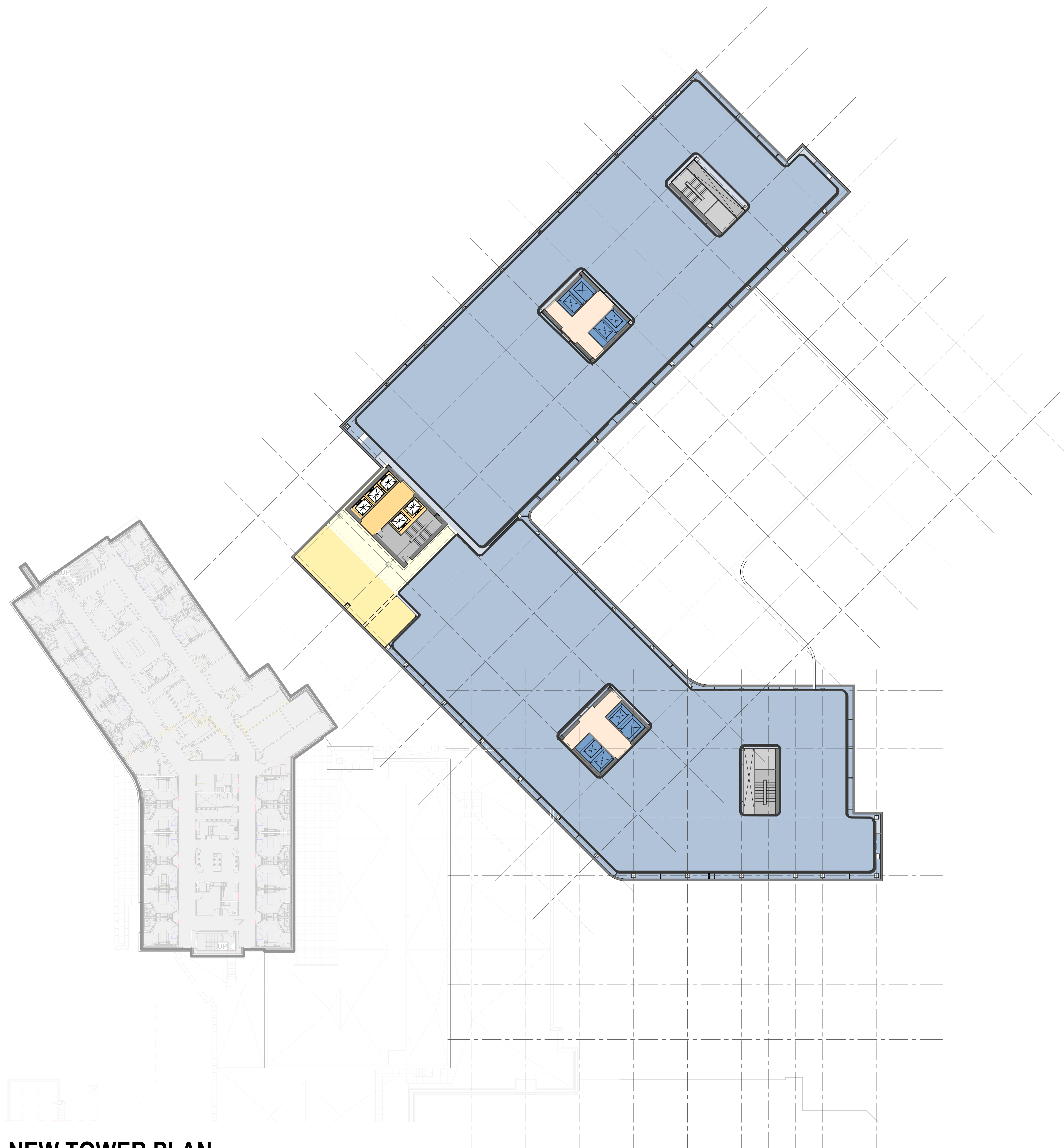


OVERALL PLAN

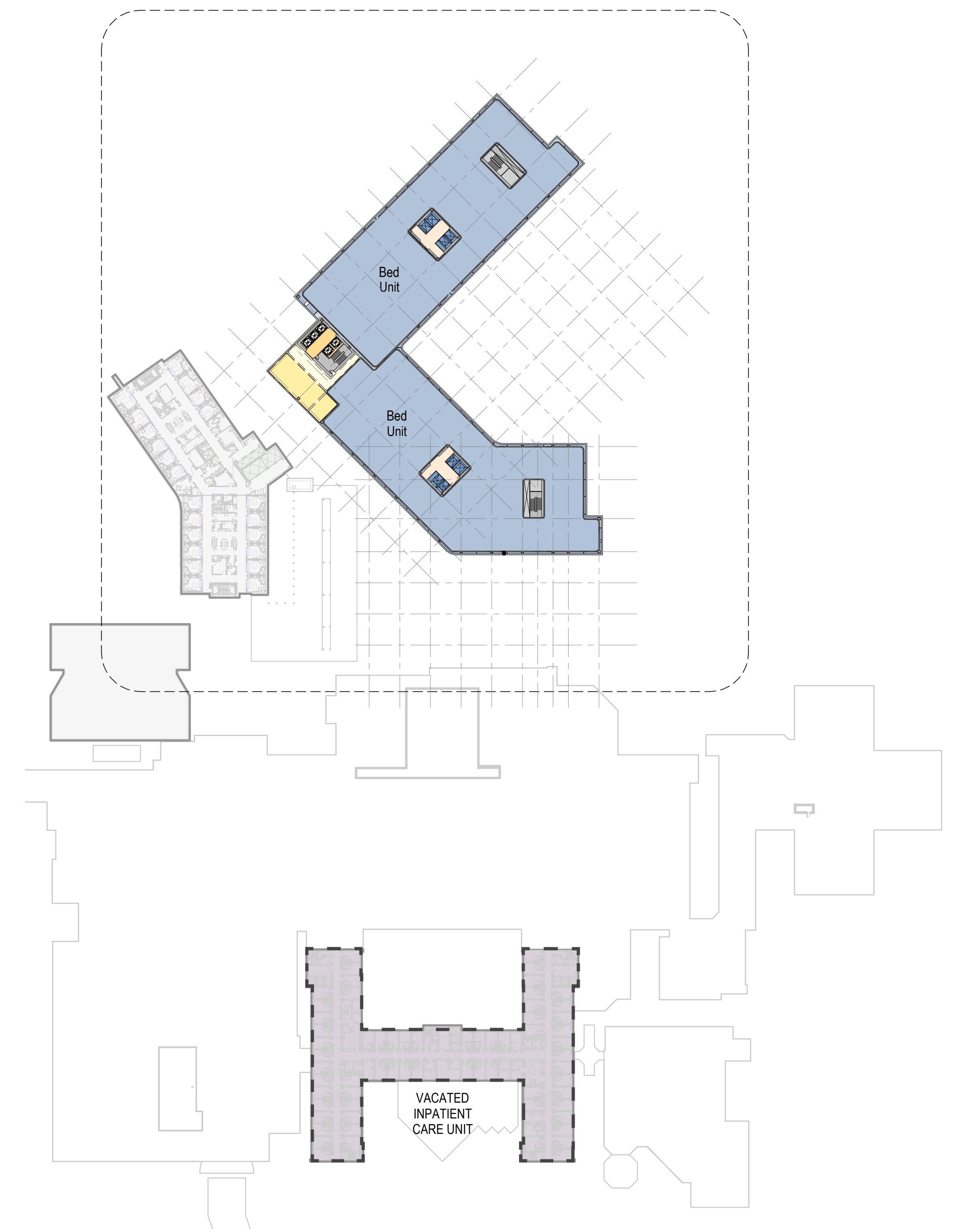
SUMMARY DETAILS

DEPARTMENT

- Bed Unit
- Public / Lobby



NEW TOWER PLAN

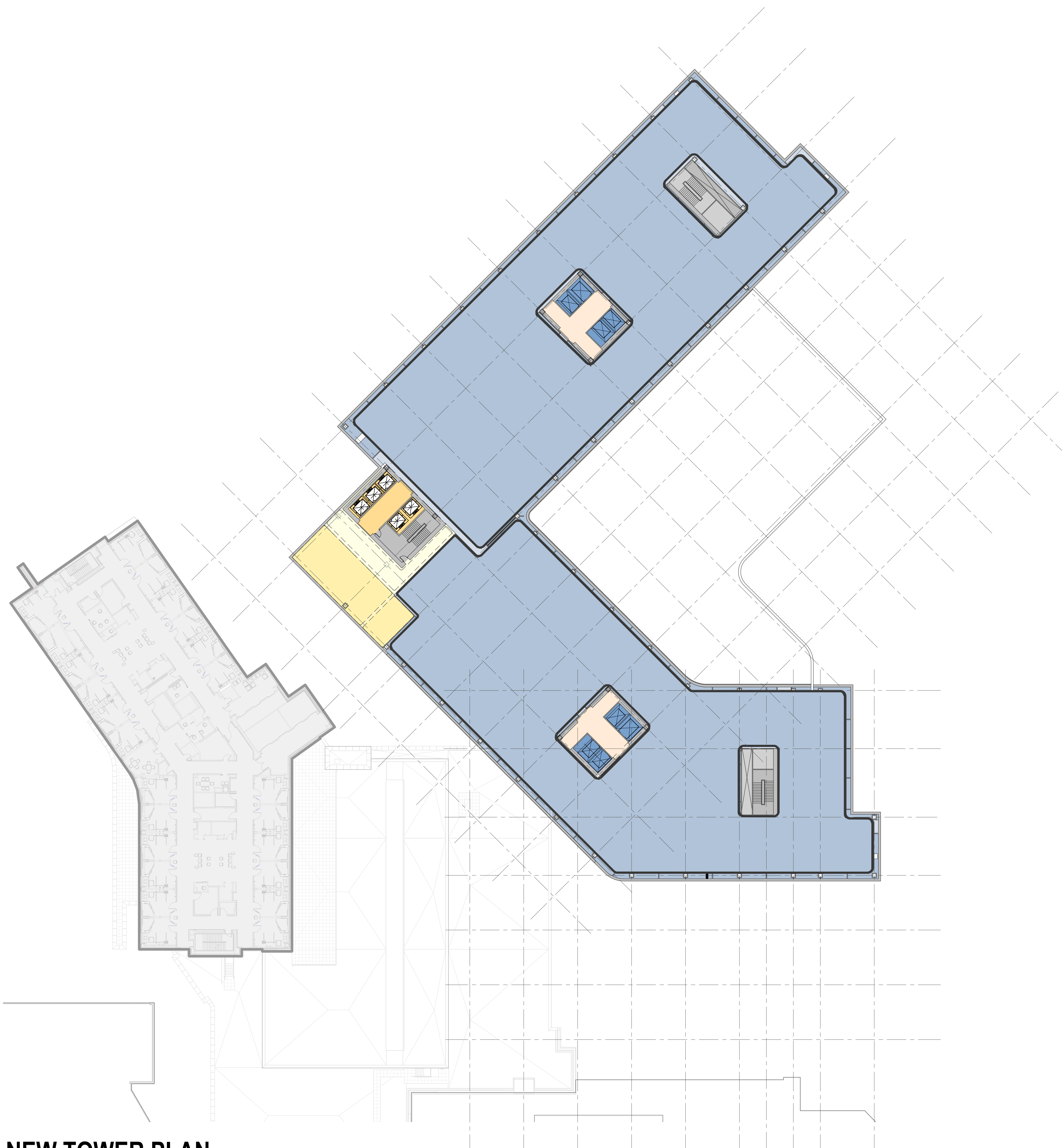


OVERALL PLAN

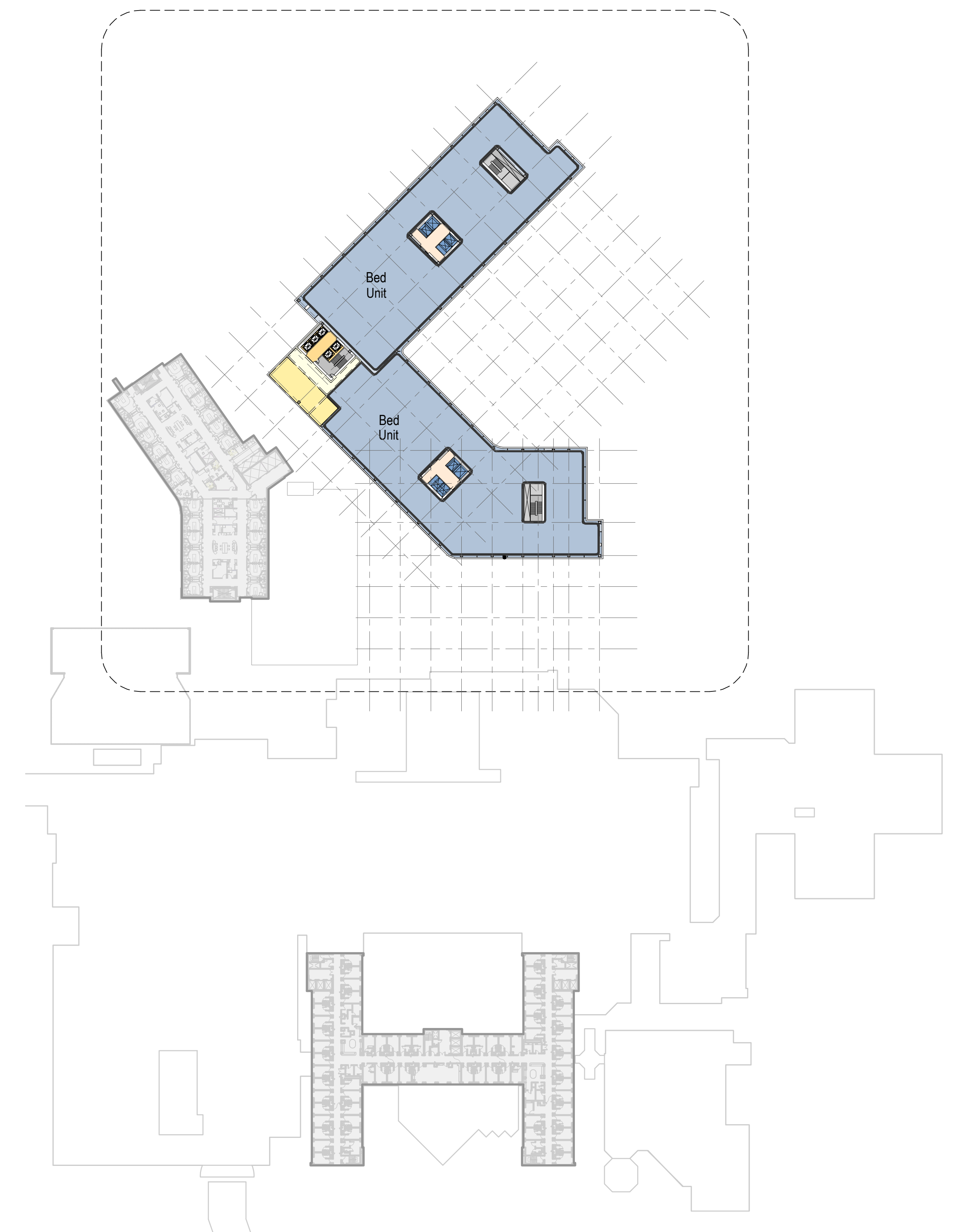
SUMMARY DETAILS

DEPARTMENT

- Bed Unit
- Public / Lobby



NEW TOWER PLAN



OVERALL PLAN

SUMMARY DETAILS

DEPARTMENT

- Bed Unit
- Public / Lobby