



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

**JOSH STEIN** • Governor

**DEVPUTTA SANGVAI** • Secretary

**MARK PAYNE** • Director, Division of Health Service Regulation

**VIA EMAIL ONLY**

April 11, 2025

Kimberly Randolph  
[krandolph@bakerdonelson.com](mailto:krandolph@bakerdonelson.com)

**Exempt from Review**

**Record #:** 4754  
**Date of Request:** March 31, 2025  
**Facility Name:** Mission Hospital  
**FID #:** 943349  
**Business Name:** MH Mission Hospital, LLLP  
**Business #:** 3045  
**Project Description:** Renovate Granby Bridge office space on the main campus  
**County:** Buncombe

Dear Ms. Randolph:

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,

Ena Lightbourne  
Project Analyst

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

KIMBERLY RANDOLPH  
Direct Dial: 984-844-7903  
Cell: 919-614-9124  
E-Mail Address: [krandolph@bakerdonelson.com](mailto:krandolph@bakerdonelson.com)

March 31, 2025

**VIA E-MAIL**

Micheala Mitchell, Chief  
Ena Lightbourne, Project Analyst  
N.C. Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section  
809 Ruggles Drive, Raleigh, N.C. 27603

RE: ***Notice of Exemption for the Renovation of MH Mission Hospital, LLLP's Granby Bridge Build-Out for the Residency Program***

Dear Micheala:

I am writing on behalf of our client MH Mission Hospital, LLLP ("Mission") to provide the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section ("the CON Section" or "the Agency") with prior written notice of Mission's plans to modernize office space located on Granby Bridge for its residency program at the Mission main hospital, as described further below (the "Project"). For the reasons set forth below, we do not believe that the Project is subject to review by the Agency or that Mission is required to obtain a certificate of need ("CON") before proceeding with the Project because the Project qualifies for an exemption pursuant to N.C. Gen. Stat. § 131E-184(g).

**Background**

Mission is planning to renovate and modernize its Granby Bridge office space, located on the main campus, attached to its auditorium, for teaching purposes for its residency program. The Granby Bridge space has been vacant for several years and the total renovation funding amount is five million one hundred eighty-one thousand eight hundred sixty-nine dollars (\$5,181,869.00).

This renovation project involves the renovation of the existing office space located above the vehicular bridge that connects the Mission emergency room ambulance drop-off bays with the St. Joseph's campus. The renovation will re-purpose the office space into twenty-one sleep rooms, four bathrooms, two work rooms and three classrooms and break room for use in the Graduate Medical Education ("GME") Program.

The scope of work will include but is not limited to: the demolition of the interior space, construction of new walls, ceilings, millwork, doors and hardware, flooring finishes, HVAC unit installation and ductwork,

power and lighting, IT wiring and devices, fire sprinkler system and exterior site modification for ADA improvements.

For the reasons stated below, this renovation of Mission's Granby Bridge build-out for the Residency Program is exempt from CON Section review, and thus does not require that Mission obtain a CON, pursuant to N.C. Gen. Stat. § 131E-184(g). *See* Attachment 1 (construction diagram showing the location of Mission's space to be renovated) and Attachment 2 (floor plan of the space being renovated). The anticipated capital cost for the Project is \$5,181,869.00. *See* Attachment 3 (Capital Cost Worksheet).

### **Applicable Legal Authorities**

The CON Law precludes any person from offering or developing a "new institutional health service" without first obtaining a CON. N.C. Gen. Stat. § 131E-178(a). The definition of "new institutional health service" includes, *inter alia*, the following:

- Incurring an obligation for a capital expenditure that exceeds \$4,000,000.00 to develop or expand a health service or health service facility, or which "relates" to the provision of a health service.

N.C. Gen. Stat. §§ 131E-176(16)(b). However, the CON Law includes a specific exemption for health-related capital expenditures more than \$4,000,000.00, where 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 located on the main campus." N.C. Gen. Stat. § 131E-184(g). That exemption, where applicable, eliminates the need to obtain a CON before incurring the capital expenditure. The Project which is the subject of this Exemption Notice involves a capital expenditure more than \$4,000,000.00. The estimated total capital cost for the project is \$5,181,869.00. However, the project is exempt from CON Section review based upon the exemption at N.C. Gen. Stat. § 131E-184(g).

### **The Statutory Exemption For Renovation, Replacement Or Expansion Of An Existing Health Facility On The Same Campus**

N.C. Gen. Stat. § 131E-184(g) provides an express exemption from CON Section review for capital expenditures that exceed \$4,000,000.00 where:

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 located on the main campus;
2. So long as the capital expenditure does not result in:
  - a. A change in bed capacity as defined in G.S. 131E-176(5); or
  - b. The addition of a health service facility or any other new institutional health service other than that allowed by G.S. 131E-176(16)b; and
  - c. The CON Section receives prior written notice of the planned expenditure along with documentation demonstrating that the provider meets the exemption.

**The Project Involves The Renovation Of Mission's Granby Bridge Build-Out For The  
Residency Program On Mission's Main Campus**

The Project which is the subject of this Notice is projected to cost more than \$4,000,000.00. Please see Attachment 3, a Certified Projected Capital Cost Worksheet reflecting that the total project cost is anticipated to be \$5,181,869.00. Of that amount, \$4,281,869.00 will be expended on construction and renovation related to renovating the Granby Bridge build out for the Residency Program at Mission Hospital. The remaining costs include: \$325,000.00 in architect and engineering fees, \$250,000.00 in non-medical equipment, \$150,000.00 in furniture costs, \$75,000.00 in other costs during construction and \$100,000.00 in contingency costs.

The Project qualifies for the statutory exemption at N.C. Gen. Stat. § 131E-184(g) because the sole purpose of the project and related expenditure is to renovate a portion of an existing health service facility on the hospital's main campus. The project consists of redesigning and renovating Mission's Granby Bridge office space, which is housed on the Mission main campus.

The term "campus" is defined at N.C. Gen. Stat. § 131E-176(2c) as "the adjacent grounds and buildings, or grounds and buildings not separated by more than a public right-of-way, of a health service facility and related health care entities." For the purposes of the exemption at N.C. Gen. Stat. § 131E-184(g), "main campus" is defined as:

- 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; and
- b. Other areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building.

N.C. Gen. Stat. § 131E-176(14n).

The Mission Granby Bridge office space is located on the main campus in Asheville, N.C. The Mission Hospital main building is the site from which the hospital exercises clinical and administrative control over the entire hospital.

**Mission's Project Does Not Involve A Change In Bed Capacity**

The Project does not involve a change in bed capacity as defined by N.C. Gen. Stat. § 131E-176(5). That section defines "change in bed capacity" in pertinent part as: (i) any relocation of health service facility beds from one licensed facility or campus to another, or (ii) any redistribution of health service facility bed capacity among the categories of health service facility beds defined in N.C. Gen. Stat. § 131E-176(9c), or (iii) any increase in the number of health service facility beds. The Project involves only the renovation of existing office space on Mission's main campus and does not involve any relocation of health service facility beds from one licensed campus to another, any increase in the number of health service beds or any redistribution of health service facility beds among the categories identified at N.C. Gen. Stat. § 131E-176(9c).

### **Conclusion**

For the reasons recited herein, the Project qualifies under the exemption from CON Section review set forth at N.C. Gen. Stat. § 131E-184(g). Please allow this letter to serve as the advance written notice required by N.C. Gen. Stat. § 131E-184(g). We would appreciate the CON Section acknowledging, at its earliest opportunity, that Mission's Project, as described herein, is not subject to CON Section Review and that Mission may proceed with the project without first obtaining a CON.

Please let me know if you have questions or need further information regarding this notice.

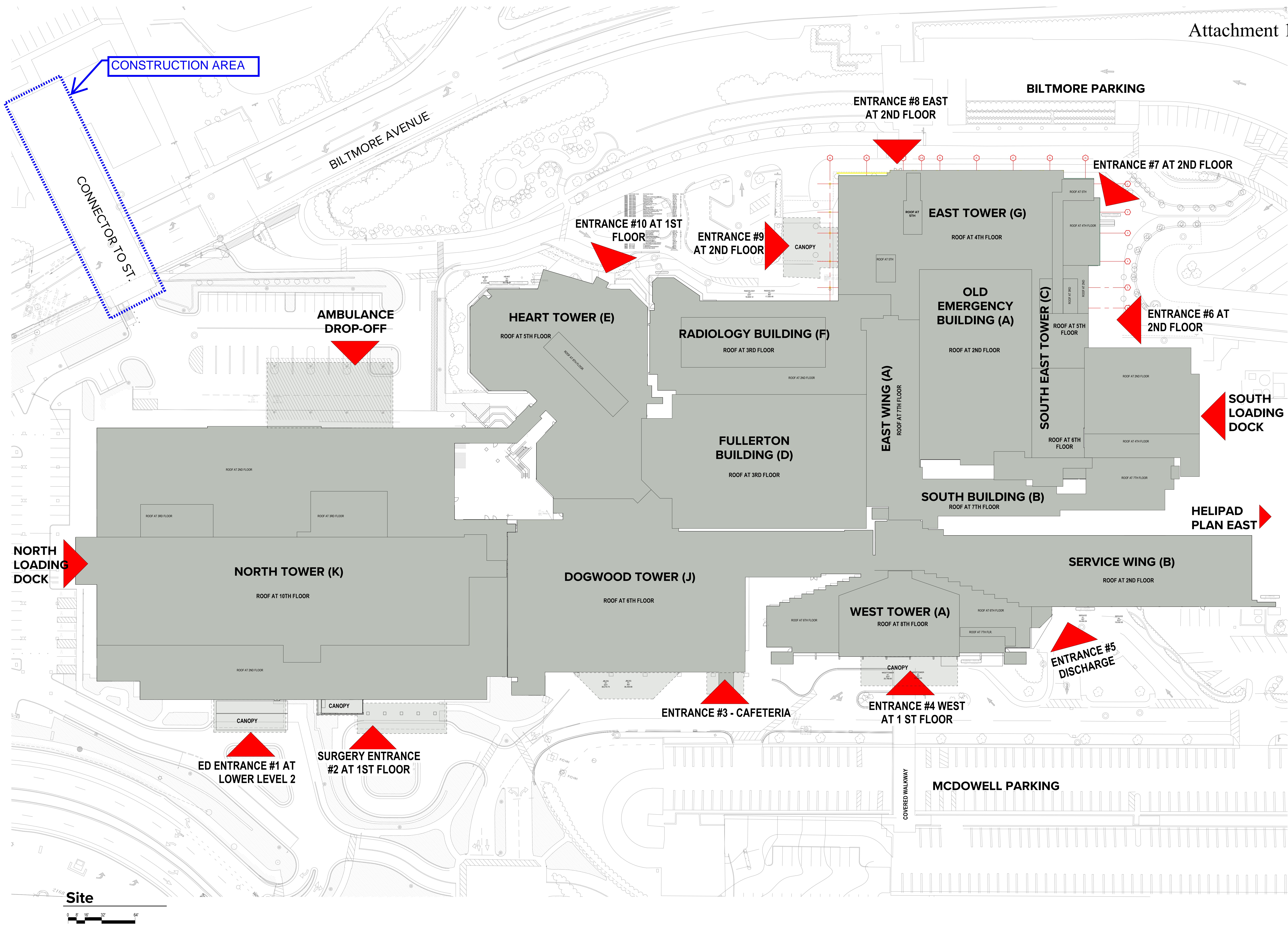
Sincerely yours,

/s/Kimberly Randolph  
Kimberly Randolph

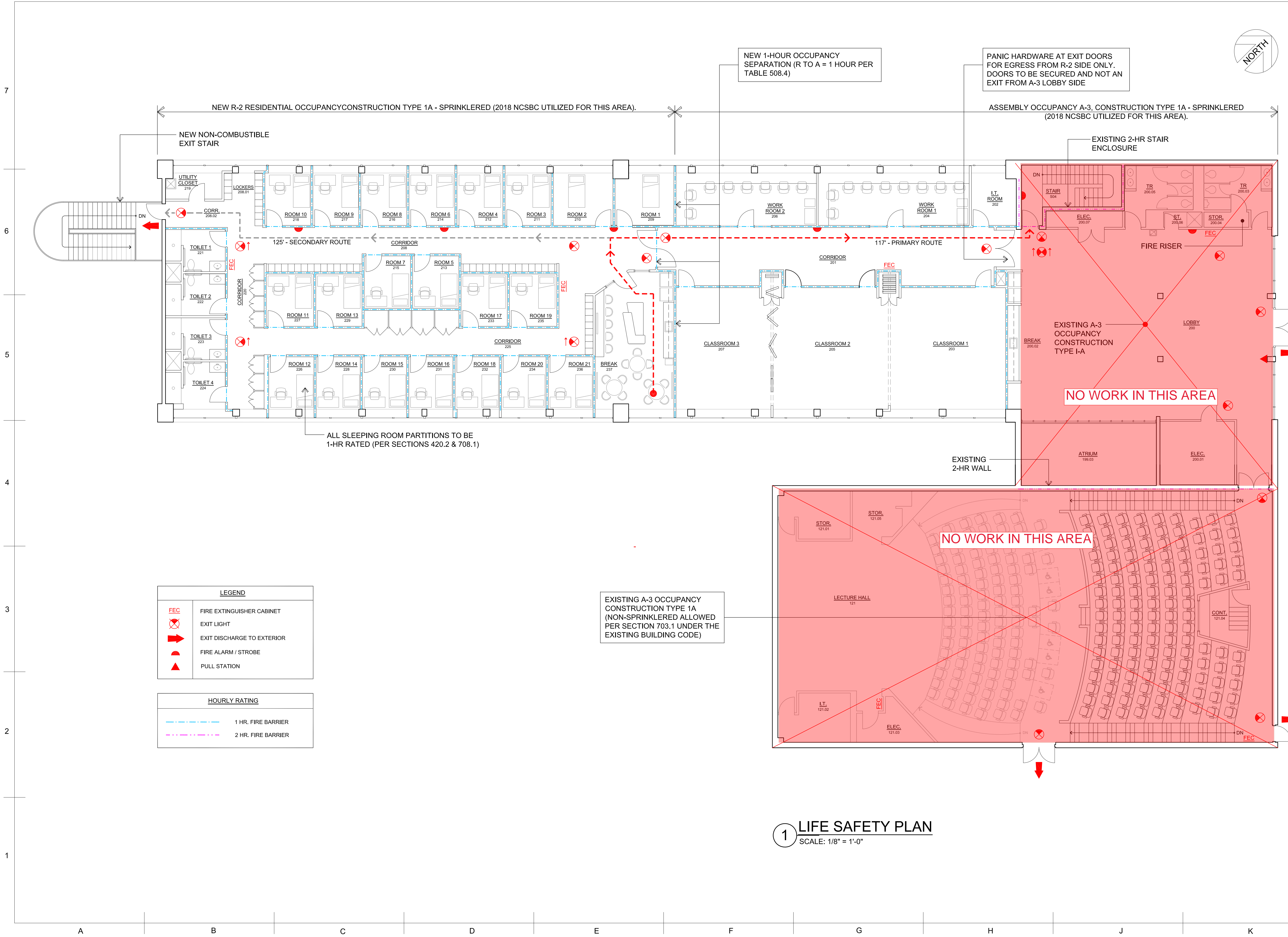
cc: Wyatt Chocklett

Attachments







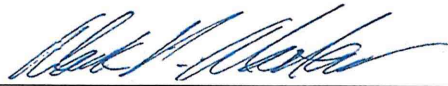


**Projected Capital Cost Form**

Building Purchase Price	\$0.00
Purchase Price of Land	\$0.00
Closing Costs	\$0.00
Site Preparation	\$0.00
Construction/Renovation Contract(s)	\$4,281,869.00
Landscaping	\$0.00
Architect / Engineering Fees	\$325,000.00
Medical Equipment	\$0.00
Non-Medical Equipment	\$250,000.00
Furniture	\$150,000.00
Consultant Fees (specify)	\$0.00
Financing Costs	\$0.00
Interest during Construction	\$0.00
Other (Miscellaneous)	\$75,000.00
Other (Contingency)	\$100,000.00
<b>Total Capital Cost</b>	<b>\$5,181,869.00</b>

**CERTIFICATION BY A LICENSED ARCHITECT OR ENGINEER**

I certify that, to the best of my knowledge, the projected capital cost for the proposed project is complete and correct.



Signature of Licensed Architect or Engineer

Date Signed: 11/19/24

**CERTIFICATION BY AN OFFICER OR AGENT FOR THE PROPONENT**

I certify that, to the best of my knowledge, the projected total capital cost for the proposed project is complete and correct and that it is our intent to carry out the proposed project as described.



Signature of Officer/Agent

Date Signed: 12/23/2024

Name: **Garrett Shreffler**

Title of Officer/Agent: **Director, Facility Planning, Design & Construction**



**From:** [Mitchell, Micheala L](#)  
**To:** [Stancil, Tiffany C](#)  
**Cc:** [Lightbourne, Ena](#)  
**Subject:** FW: [External] Granby Bridge Exemption Request  
**Date:** Monday, March 31, 2025 3:49:21 PM  
**Attachments:** [Granby Bridge Exemption with attachments.pdf](#)

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This goes to Ena. I hope you're stepdad is doing well!

Best,

Micheala

Micheala Mitchell, JD  
[NC Department of Health and Human Services](#)  
[Division of Health Service Regulation](#)  
Section Chief, Healthcare Planning and CON Section  
809 Ruggles Drive, Edgerton Building  
2704 Mail Service Center  
Raleigh, NC 27699-2704  
Office: 919 855 3879  
[Micheala.Mitchell@dhhs.nc.gov](mailto:Micheala.Mitchell@dhhs.nc.gov)

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**From:** Randolph, Kim <[krandolph@bakerdonelson.com](mailto:krandolph@bakerdonelson.com)>  
**Sent:** Monday, March 31, 2025 3:46 PM  
**To:** Mitchell, Micheala L <[Micheala.Mitchell@dhhs.nc.gov](mailto:Micheala.Mitchell@dhhs.nc.gov)>  
**Cc:** Lightbourne, Ena <[ena.lightbourne@dhhs.nc.gov](mailto:ena.lightbourne@dhhs.nc.gov)>; Chocklett Wyatt <[wyatt.chocklett@hcahealthcare.com](mailto:wyatt.chocklett@hcahealthcare.com)>  
**Subject:** [External] Granby Bridge Exemption Request

**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.

Hi Micheala,

Hope you are well.

Attached please find an exemption request for the Granby Bridge project at Mission on the main campus. Please let me know if you have any questions or need additional information.

Thank you!

**Kim Randolph**  
Attorney

Baker, Donelson, Bearman, Caldwell & Berkowitz, PC  
2235 Gateway Access Point, Suite 220

Raleigh, NC 27607

Direct: 984-844-7903

Cell: 919-614-9124

[krandolph@bakerdonelson.com](mailto:krandolph@bakerdonelson.com)

Baker, Donelson, Bearman, Caldwell & Berkowitz, PC represents clients across the U.S. and abroad from offices in Alabama, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia and Washington, D.C.

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