

JOSH STEIN • Governor

DEVDUTTA SANGVAI • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

June 2, 2025

Elizabeth Kirkman Elizabeth.kirkman@atriumhealth.org Brighid Knoll Huber Brighid.Huber@advocatehealth.org

Exempt from Review

Record #: 4787

Date of Request: May 15, 2025

Facility: Atrium Health University City

Project Description: Construct a new patient tower on the main campus

County: Mecklenburg FID #: 923516

Dear Elizabeth Kirkman:

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,

Chalice L. Moore Project Analyst

Chapie L. Mase

Micheala Mitchell Chief

cc: Acute and Home Licensure and Certification Section, DHSR

Construction Section, DHSR

Micheala Mitchell

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

Ms. Micheala Mitchell, Chief Healthcare Planning and Certificate of Need Section Division of Health Service Regulation 809 Ruggles Drive Raleigh, NC 27603

RE: Exemption Request for The Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health University City to Develop a New Patient Tower on the Main Campus

Dear Ms. Mitchell:

Please accept this letter as notification of The Charlotte-Mecklenburg Hospital Authority's (CMHA's) intent to construct a new patient tower on the main campus of Atrium Health University City (AH University City) pursuant to N.C. Gen. Stat. § 131E-184(g). CMHA intends to construct a six-story patient tower on AH University City's main campus located at 8800 North Tryon Street, Charlotte, NC 28262. The site plan included in Attachment A shows the location of the proposed patient tower as well as the existing hospital facility. As indicated on the site plan, the new patient tower will be developed adjacent and connected to the existing hospital building. The proposed project involves necessary infrastructure work that will need to be completed prior to/in order to allow construction of the new patient tower, as well as relocation/expansion of dietary services, administrative office space, and other existing ancillary and support services, such as sterile processing, lab, and pharmacy. It also includes the relocation of the mobile technology pad. Other components of this project include reconfiguration of access roads, construction of additional parking and expansion of the central energy plant, all of which are exempt pursuant to N.C. Gen. Stat. §131E-184(a)(4).

The total capital cost of the proposed project is estimated to exceed \$4,119,200. The new patient tower is planned as follows:

- Level 01 Administrative Space, Ancillary/Support Services, Dietary Services/Café
- Level 02 Mechanical
- Level 03 Shell
- Level 04 Shell
- Level 05 Shell
- Level 06 Shell

Please note, the proposed services detailed above are all replacement and/or relocated services as well as shell space.

Under N.C. Gen. Stat. § 131 E-184(g), the Certificate of Need law provides that an applicant's proposal to replace or expand the entirety or a portion of an existing health service facility on the

same main campus site that exceeds the \$4,000,000¹ threshold set forth in N.C. Gen. Stat. § 131E-176(16b) is nonetheless exempt from review 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 N.C. Gen. Stat. § 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service other than that allowed in N.C. Gen. Stat. § 131E-176(16)b; and
- (3) the licensed health service facility proposing to incur the capital expenditure provides prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of N.C. Gen. Stat. § 131 E-184(g).

Further, pursuant to N.C. Gen. Stat. § 131E-176(14n), "main campus" as referenced in N.C. Gen. Stat. § 131E-184(g), means the following:

- 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 AH University City new patient tower project meets each of the applicable conditions set forth above.

- The estimated capital cost of the project exceeds \$4,119,200.
- The sole purpose of the capital expenditure is to expand an existing health service facility (AH University City) on the main campus, which is located at 8800 North Tryon Street, Charlotte, NC 28262. Please see the site plan included in Attachment A. The proposed patient tower will be located on the main campus, which is the site from which AH University City provides clinical patient services and exercises financial and administrative control over the entire facility (please see Attachment B for a copy of AH University City's hospital license). AH University City Facility Executive's office is currently located on the first floor of the main hospital building.
- The proposed project will not result in a change in bed capacity (increase or decrease) as defined in N.C. Gen. Stat. § 131E-176(5) or the addition of a health service facility or a new institutional health service other than that allowed in N.C. Gen. Stat. § 131E-176(16b). The project will not increase the number of operating rooms or gastrointestinal rooms. The project will not result in the acquisition of major medical equipment, or the offering of health services not currently provided.
- This letter constitutes the required prior written notice under N.C. Gen. Stat. § 131 E-184(g)(3).

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¹ The current cost threshold amount is \$4,119,200.

Based on the above facts, the project is exempt from Certificate of Need review. We are requesting that you please confirm in writing that AH University City's new patient tower project is exempt from Certificate of Need review and that CMHA may proceed as planned with this project.

Sincerely,

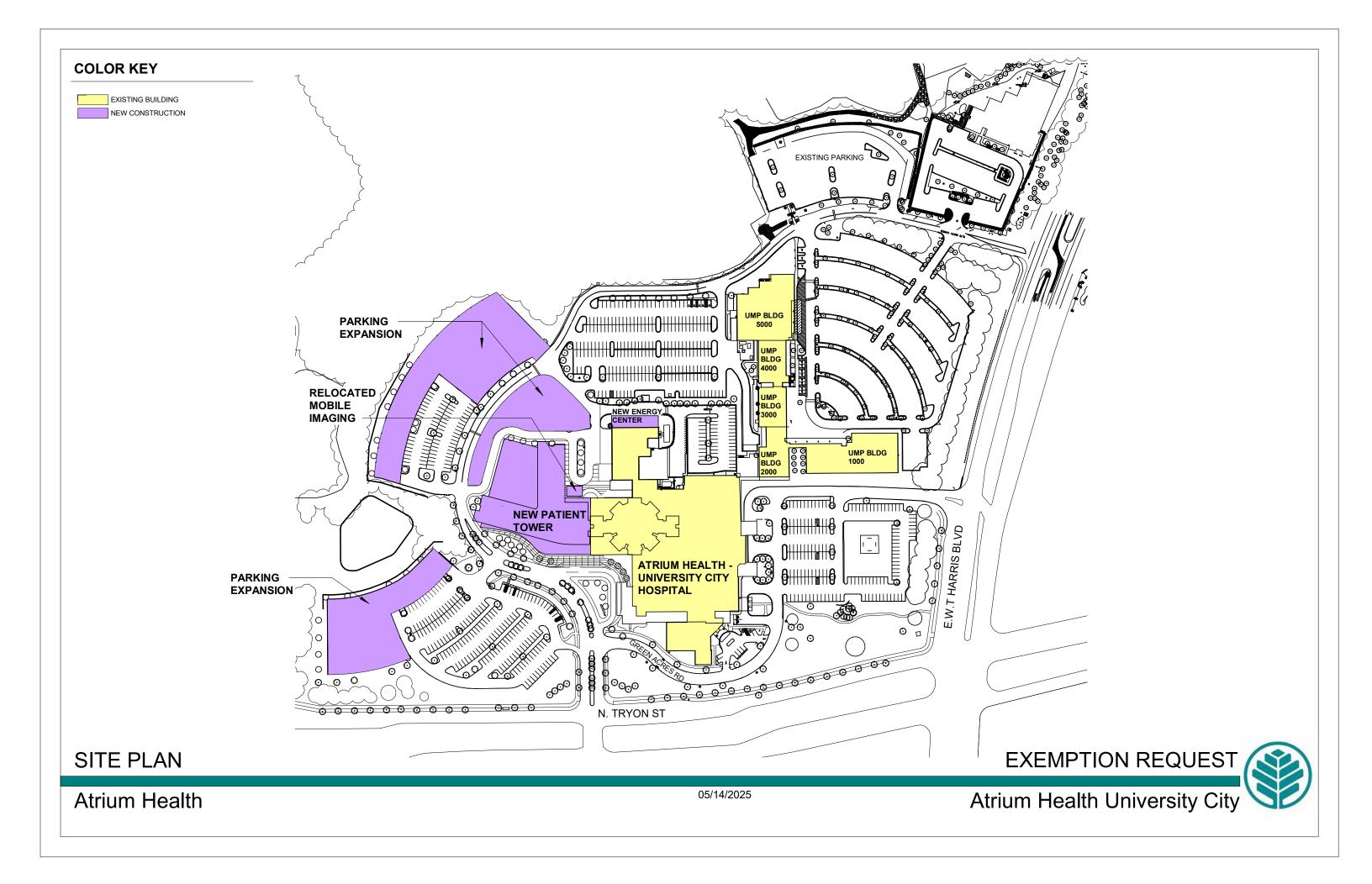
Elizabeth Kirkman

Assistant Vice President

Core Market Growth Business Development

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

Effective January 1, 2025, this license is issued to

The Charlotte-Mecklenburg Hospital Authority

to operate a hospital known as

Atrium Health University City

located at Charlotte, NC, Mecklenburg 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: 923516 License Number: H0255

Bed Capacity:117

General Acute: 117

Dedicated Inpatient Surgical Operating Rooms: 1
Dedicated Ambulatory Surgical Operating Rooms: 0

License Categories:

Shared Surgical Operating Rooms: 7
Dedicated Endoscopy Rooms: 1

Authorized by:

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



Director, Division of Health Service Regulation

From: <u>Huber, Brighid K</u>

To: <u>Moore, Chalice L</u>; <u>Stancil, Tiffany C</u>

Subject: [External] Exemption Request for The Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health University

City

Date: Thursday, May 15, 2025 4:42:08 PM

Attachments: CMHA dba AH University City Exemption Request.pdf

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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.

Good afternoon,

I hope you both are having a good week! Please find attached an exemption request submitted by The Charlotte-Mecklenburg Hospital Authority ("CMHA") d/b/a Atrium Health University City to develop a new patient tower on the main campus.

Thank you,

Brighid

Brighid Knoll Huber, MHA, ATC

Core Market Growth Business Development

Mobile: 724-986-6214

Atrium Health

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