

JOSH STEIN • Governor

DEVDUTTA SANGVAI • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

September 12, 2025

Elizabeth Kirkman <u>@atriumhealth.org</u>

Exempt from Review

Record #: 4906

Date of Request: August 25, 2025 Facility Name: Atrium Health Union

FID #: 923515

Business Name: The Charlotte-Mecklenburg Hospital Authority

Business #: 1770

Project Description: Construct a four-floor addition on the main campus of Atrium Health Union

County: Union

Dear Ms. 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,

Gregory F. Yakaboski

Project Analyst

Micheala Whitehell

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

August 21, 2025

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 Union to Construct a Four-Floor Addition 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 four-floor addition on the main campus of Atrium Health Union (AH Union) located at 600 Hospital Drive, Monroe, NC 28112 pursuant to N.C. Gen. Stat. § 131E-184(g). As identified on the site plan included in Attachment A, the four additional floors will be constructed on top of the existing two-story Women and Children's Center on AH Union's main campus. The four additional floors are planned as follows:

- Level 03 30 Observation Beds
- Level 04 Shell
- Level 05 Shell
- Level 06 Shell

The proposed project also involves necessary infrastructure work to enable the construction of and operationally support the four additional floors, including construction of additional parking and expansion of the central energy plant. The infrastructure work involved in the proposed project is 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.

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).

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

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 proposed AH Union four-floor expansion 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 Union) on the main campus, which is located at 600 Hospital Drive, Monroe, NC 28112. Please see the site plan included in Attachment A. The four additional floors will be constructed on AH Union's main campus (on top of the existing two-story Women and Children's Center), which is the site from which AH Union provides clinical patient services and exercises financial and administrative control over the entire facility. Please see Attachment B for a copy of AH Union's hospital license. AH Union's Facility Executive's office is located on the second 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).

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 Union's four-floor expansion project is exempt from Certificate of Need review and that CMHA may proceed as planned with this project.

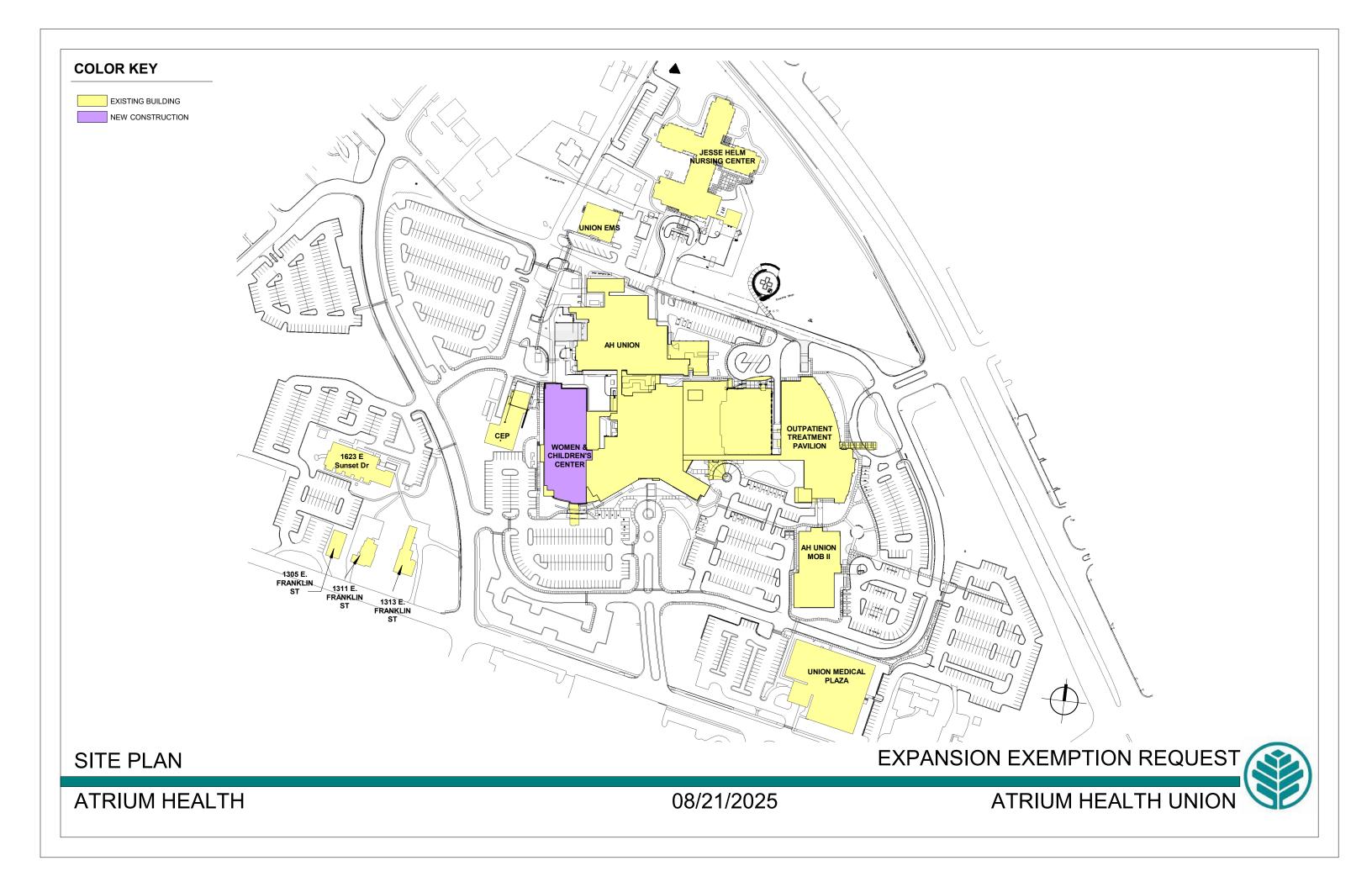
Sincerely,

Elizabeth V. Kirkman

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AVP, Core Market Growth Business Development

Attachment A



Attachment B

State of North 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 Union

Atrium Health Waxhaw Emergency Department, Atrium Health Union West

located at Monroe, NC, Union 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: 923515 License Number: H0050

Bed Capacity: 182

General Acute: 182

Dedicated Inpatient Surgical Operating Rooms: 2

Dedicated Ambulatory Surgical Operating Rooms:0

License Categories:

Shared Surgical Operating Rooms: 7

Dedicated Endoscopy Rooms: 2

Authorized by:

Do

Director, Division of Health Service Regulation

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

To: Yakaboski, Greg; Stancil, Tiffany C

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

Date: Thursday, August 21, 2025 6:00:38 PM

Attachments: CMHA dba AH Union Exemption Request for a 4-Floor Expansion on the Main Campus final.pdf

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 doing well! Please find attached an exemption request submitted by The Charlotte-Mecklenburg Hospital Authority ("CMHA") d/b/a Atrium Health Union to construct a four-floor addition on the main campus.

Thank you, and please let me know if you have any questions.

Best,

Brighid

Brighid Knoll Huber, MHA, ATC

Core Market Growth Business Development Mobile: 724-986-6214

Atrium Health

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