



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Service Regulation

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director

RESPONSE REQUIRED

May 25, 2018

Shirley Harkey
2700 Wayne Memorial Drive
Goldsboro, NC 27534

Conditional Approval

Project ID #: P-11458-18
Facility: Wayne Memorial Hospital
Project Description: Cost overrun for Project I.D. # P-11050-15 (expand and renovate surgical and endoscopy services including one dedicated C-section OR, one hybrid OR, two outpatient ORs and ten shared ORs) and Project I.D. #P-7554-06 develop a multiple specialty ambulatory surgical facility with 3 ORs (one new OR and two ORs relocated from the hospital)
County: Wayne
FID #: 933535

Dear Ms. Harkey:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has conditionally approved the above referenced certificate of need application. This decision was made after a review of the applications submitted for this cycle and after consideration of the Certificate of Need Law, N.C. Gen. Stat. §131E-175 et. seq. and regulations promulgated there under, the State Medical Facilities Plan, and other applicable information. Attached to this letter are the required findings made with respect to your application. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Agency shall not issue the certificate of need until all applicable conditions of approval have been met pursuant to N.C. Gen. Stat. §131E-187(a). The conditions are as follows:

- 1. Wayne Memorial Hospital, Inc. shall materially comply with the representations in this application and representations in Project I.D. # P-11050-15. Where representations conflict, Wayne Memorial Hospital, Inc. shall materially comply with the last made representation.**

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: 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

2. **The total approved capital expenditure for both Project I.D. # P-11050-15 and Project I.D. # P-11458-18 is \$47,993,810.**
3. **Wayne Memorial Hospital, Inc. shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section Q of the application that would otherwise require a certificate of need.**
4. **No later than three months after the last day of each of the first three full years of operation following initiation of the services authorized by this certificate of need, Wayne Memorial Hospital, Inc. shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:**
 - a. **Payor mix for the services authorized in this certificate of need.**
 - b. **Utilization of the services authorized in this certificate of need.**
 - c. **Revenues and operating costs for the services authorized in this certificate of need.**
 - d. **Average gross revenue per unit of service.**
 - e. **Average net revenue per unit of service.**
 - f. **Average operating cost per unit of service.**
5. **Wayne Memorial Hospital, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**

Response to the above conditions should be submitted to the Agency no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency making a determination not to issue a certificate of need for the project referenced above.

The conditional approval is valid only for a capital expenditure of **\$13,580,577**. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by N.C. Gen. Stat. §131E-176(16)(e).

The applicant should be aware that according to the Certificate of Need law any affected person shall have thirty (30) days after the date of decision to file a petition for a contested case on this approval. Further, if you are aggrieved by the conditions of the decision you may file a petition for a contested case hearing in accordance with N.C. Gen. Stat. §150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 within thirty (30) days of the date of this decision. [Note: Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to OAH Clerk's Office (919-431-3000).]

N.C. Gen. Stat. §150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing,

you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Lisa G. Corbett
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 Mail Service Center
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Agency.

The certificate of need will not be issued before the completion of this 30 day period ending **June 25, 2018**. If a contested case request is received within the thirty (30) day period, the certificate will not be issued until the appeal is resolved (10A NCAC 14C .0208).

The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the Agency because the review period was extended. The timetable for this project is as follows:

1. Drawings Completed _____ February 5, 2016
2. Construction/Renovation Contract(s) Executed _____ December 29, 2016
3. 25% of Construction/Renovation Completed
(25% of the cost is in place) _____ July 23, 2017
4. 50% of Construction/Renovation Completed _____ April 15, 2018
5. 75% of Construction/Renovation Completed _____ January 22, 2018
6. Construction/Renovation Completed _____ August 30, 2019
7. Equipment Ordered _____ November 30, 2018
8. Equipment Installed _____ March 12, 2018
9. Equipment Operational _____ March 30, 2018
10. Building/Space Occupied _____ September 15, 2019
11. Services Offered _____ September 15, 2019
12. Final Annual Report Due _____ December 13, 2022

If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the Certificate of Need is issued. Please contact this office if any clarification of this decision is required.

Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,

Bernetta Thorne-Williams
Project Analyst

Lisa Pittman
Assistant Chief, Certificate of Need

Shirley Harkey
May 25, 2018
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Attachment

cc: Construction Sections, DHR
Acute & Home Care Licensure & Certification Section, DHR
Amy Craddock, Assistant Chief, Healthcare Planning, DHR

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing notice of **conditional approval** on the following person by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelope addressed as follows:

Shirley Harkey
2700 Wayne Memorial Drive
Goldsboro, NC 27534

This the 25th day of May, 2018.

Bernetta Thorne-Williams
Project Analyst, Certificate of Need