



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

August 23, 2017

Jennifer Baldock
40 Burton Hills Boulevard, Suite 500
Nashville, TN 37215

No Review

Record #: 2369
Facility Name: Orthopaedic Surgery Center of Asheville
FID #: 942946
Business Name: Surgery Partners, Inc.
Business #: 2704
Project Description: Change in indirect ownership
County: Buncombe

Dear Ms. Baldock:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of August 18, 2017 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

However, you need to contact the Agency's Acute and Home Care Licensure and Certification Section to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented in your correspondence. 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 this office. 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.

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Julie Halatek
Project Analyst



Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section

cc: Acute and Home Care Licensure and Certification Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR



Ms. Bernetta Thorne-Williams
Project Analyst
NC Division of Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: Notice of Information Regarding Ownership of Orthopaedic Surgery Center of Asheville (FID # 62-1843091)

**Address: 34 Granby Street
Asheville, NC 28801**

To Whom It May Concern,

We are writing on behalf of Orthopaedic Surgery Center of Asheville, an ambulatory surgical facility in North Carolina (the "Facility"). This letter is to inform you that an indirect owner of the Facility, Surgery Partners, Inc., is engaged in a merger transaction that will result in a new indirect ownership interest in the Facility. The transaction is anticipated to close August 31, 2017. Note that this transaction will not result in a change in the tax identification number or Medicare provider number of any of the Facility. Further, the operations of the Facility, how services are performed, the administrators of the Facility, and who is performing the services will also remain the same. The relevant contact detail of the direct owners post-merger will remain identical to the direct contact information of such owners now.

It is our understanding that the merger will not constitute an "acquisition" for purposes of NC Certificate of Need ("CON") law. In addition, we understand that the acquisition of an existing health service facility is, in any event, exempt from CON review pursuant to G.S. 131E-184(a)(8), provided that the prior written notice is provided to the Division of Health Service Regulation (the "Division"). In the event the Division determines that the transaction will constitute an acquisition of an existing health service facility, please allow this letter to serve as the notice required under G.S. 131E-184(a) and a request for confirmation that the transaction is exempt from CON review.

We respectfully request a determination from your office regarding whether the transaction is subject to CON review under NC law or will otherwise require action with the Department. Thank you in advance for your consideration of this request. Should you require any additional information, please do not hesitate to contact me (or Erica Gnilka at (312) 984-7697) with any further questions.

Sincerely,

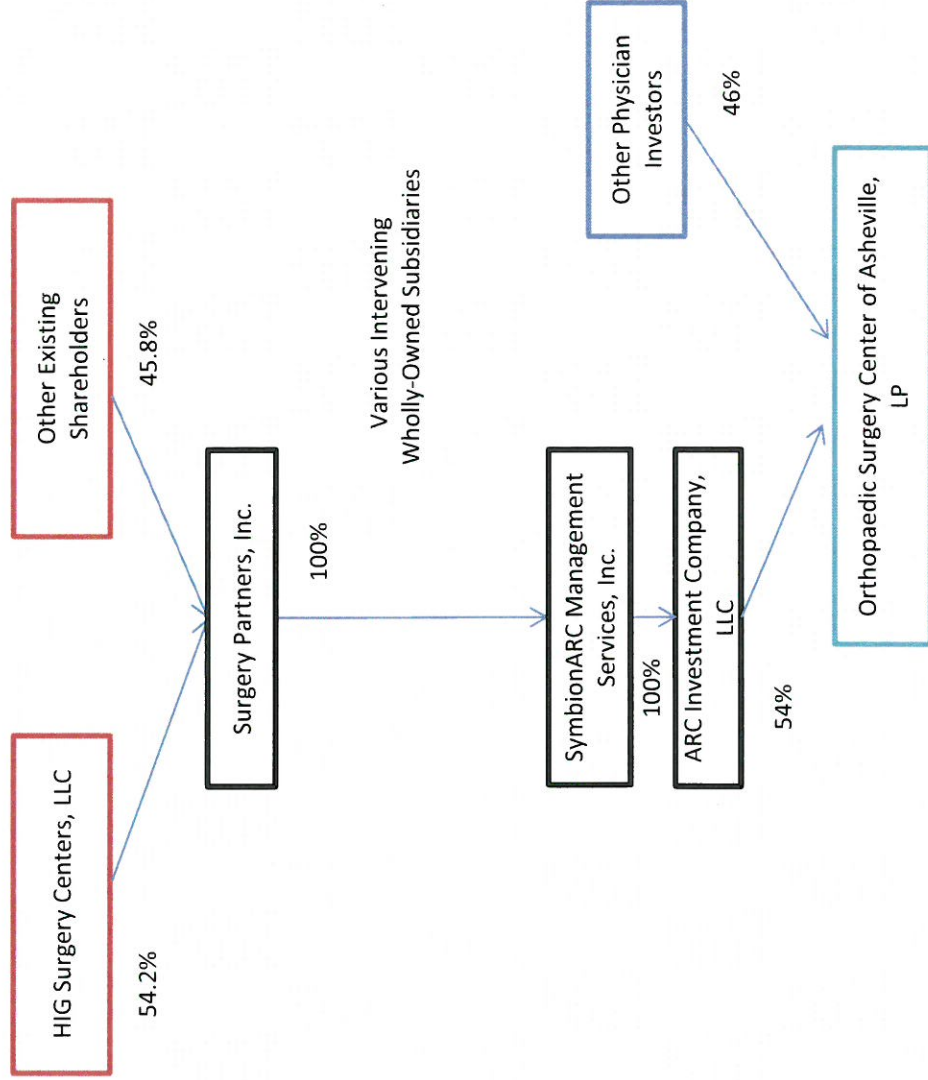
A handwritten signature in blue ink that reads 'Jennifer Baldock'.

Jennifer Baldock
Senior Vice President and General Counsel
Surgery Partners, Inc.

Enclosures



Pre-Closing



Post-Closing

