



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

May 1, 2019

Christine Washick, Administrator
Triangle Orthopaedics Surgery Center
7921 ACC Boulevard
Raleigh NC 27617

Exempt from Review

Record #: 2923
Facility Name: Triangle Orthopaedics Surgery Center
FID #: 101146
Business Name: Triangle Orthopaedics Surgery Center, LLC
Business #: 1892
Project Description: Renovate and expand the surgery center to add two unlicensed procedure rooms
County: Wake

Dear Ms. Washick:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of April 23, 2019, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(g). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification Sections 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 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.

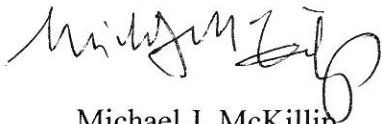
NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhhs.gov/dhsr • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,



Michael J. McKillip
Project Analyst



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

cc: Construction Section, DHR
Acute and Home Care Licensure and Certification Section, DHR



Triangle Orthopaedics Surgery Center

EmergeOrtho, P.A. affiliate organization: Triangle Division



April 23, 2019

Martha Frisone, Chief
Healthcare Planning and Certificate of Need Section
2704 Mail Service Center
Raleigh, NC 27699-2704

RE: Notice of Exemption for Renovation N. C. Gen. Stat. § 131E-184 (g) and Request for Confirmation of Material Compliance Renovation and Expansion at the Main Campus of Triangle Orthopaedic Surgery Center, Wake County, CON Project ID # J-8616-10, FID # 101146

Dear Ms. Frisone:

Please accept this letter as prior written notice pursuant to N. C. Gen. Stat. § 131E-184 (g) that Triangle Orthopaedic Surgery Center ("TOSC") intends to renovate and expand a portion of its existing ambulatory surgical facility in Wake County. Also, this letter requests confirmation from the Healthcare Planning and Certificate of Need Section that the development of two procedure rooms at TOSC is in material compliance with the Certificate of Need issued for the project.

Overview

In accordance with N. C. Gen. Stat. § 131E-184 (g), the sole purpose of the project is to renovate and expand a portion of the existing health service facility on the main campus of TOSC. The project site is the main building of TOSC. The facility plan for the project is included in Exhibit 1 that shows the areas of renovation and expansion.

Located at 7921 ACC Boulevard, Raleigh, TOSC opened its doors in February 2013 as an Ambulatory Surgery Demonstration project. This is the main campus location of the health service facility where TOSC provides clinical services. A copy of the 2019 License Renewal Application is included in Exhibit 2. Christine Washick, RN, CASC, is the Administrator and her office is located in the TOSC main building. Her role includes the exercise of administrative and financial control of the licensed ambulatory surgical facility. TOSC administration, finance and medical records departments are located on the first floor of the facility.

No change in the licensed beds or licensed operating room capacity at TOSC will result from the expansion and renovation project. The project does not result in (i) a change in bed capacity as defined in G.S. 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16)b.

P(919)596-8524

7921 ACC Boulevard Raleigh, NC 27617

F(919)596-6640

www.triangleorthosurgerycenter.com

New Construction and Renovations

As seen in the attached plan in Exhibit 1, the project involves 5,320 square feet of new construction and renovations of 1,930 square feet at the TOSC main building. New construction will increase the facility capacity with two unlicensed procedure rooms to serve less complex surgical cases. This will enable TOSC to enhance staff productivity and reduce the frequency of having to extend hours of surgery. The three additional pre-operative bays will increase productivity and improve patient flow. Two extended stay recovery rooms will allow the facility to provide greater comfort and privacy to patients that have more complex surgery and may require extended recovery times. Renovations will expand waiting area capacity and improve workflow in the business office and reception area and employee support areas. Site improvement plans include the site work for the facility expansion and include an elevated walkway to access parking areas adjacent to the property.

Total Project Capital Cost

The total project capital cost for the TOSC renovation and expansion is approximately \$4 million and includes all renovations and construction costs, site work, architect fees, contingency, furniture and equipment. The TOSC project does not include any of the major medical equipment that would require certificate need approval.

Historical Certificate of Need Compliance Reporting and Future Material Compliance

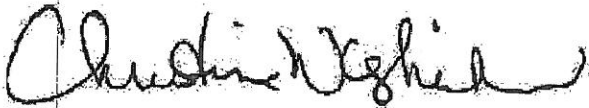
Renovation and expansion plans are timely because TOSC has completed five years of compliance reporting and fulfilled its responsibilities in conformance with its Certificate of Need Conditions as an Ambulatory Surgery Center Demonstration Project. As seen in Exhibit 2, the TOSC 2019 License Renewal Application documents that the facility is licensed and accredited with high utilization of its two licensed operating rooms. In Exhibit 3, the letter from Project Analyst Michael J. McKillip documents that the development of Triangle Orthopaedics Surgery Center CON Project ID# J-8616-10 was completed on April 16, 2018.

TOSC requests that the Healthcare Planning and Certificate of Need Section provide written confirmation that the development of two procedure rooms at TOSC is in material compliance with the Certificate of Need issued for the project that is included in Exhibit 4. The justification for this request is outlined as follows:

1. The Division of Health Service Regulation has previously determined that the development of procedure rooms in licensed healthcare facilities is not regulated by Certificate of Need.
2. Exemptions from Certificate of Need have previously been issued by the Agency for the development of procedure rooms in ambulatory surgical facilities and hospitals.
3. The development of TOSC as a single-specialty ASC demonstration projection was deemed complete on April 16, 2018 with five previous years of compliance reporting.
4. TOSC is committed to materially comply with the applicable Certificate of Need conditions still remaining on the certificate for CON Project ID# J-8616-10.
5. TOSC agrees that procedure rooms shall not be used for procedures that should be performed only in an operating room based on current standards of practice.

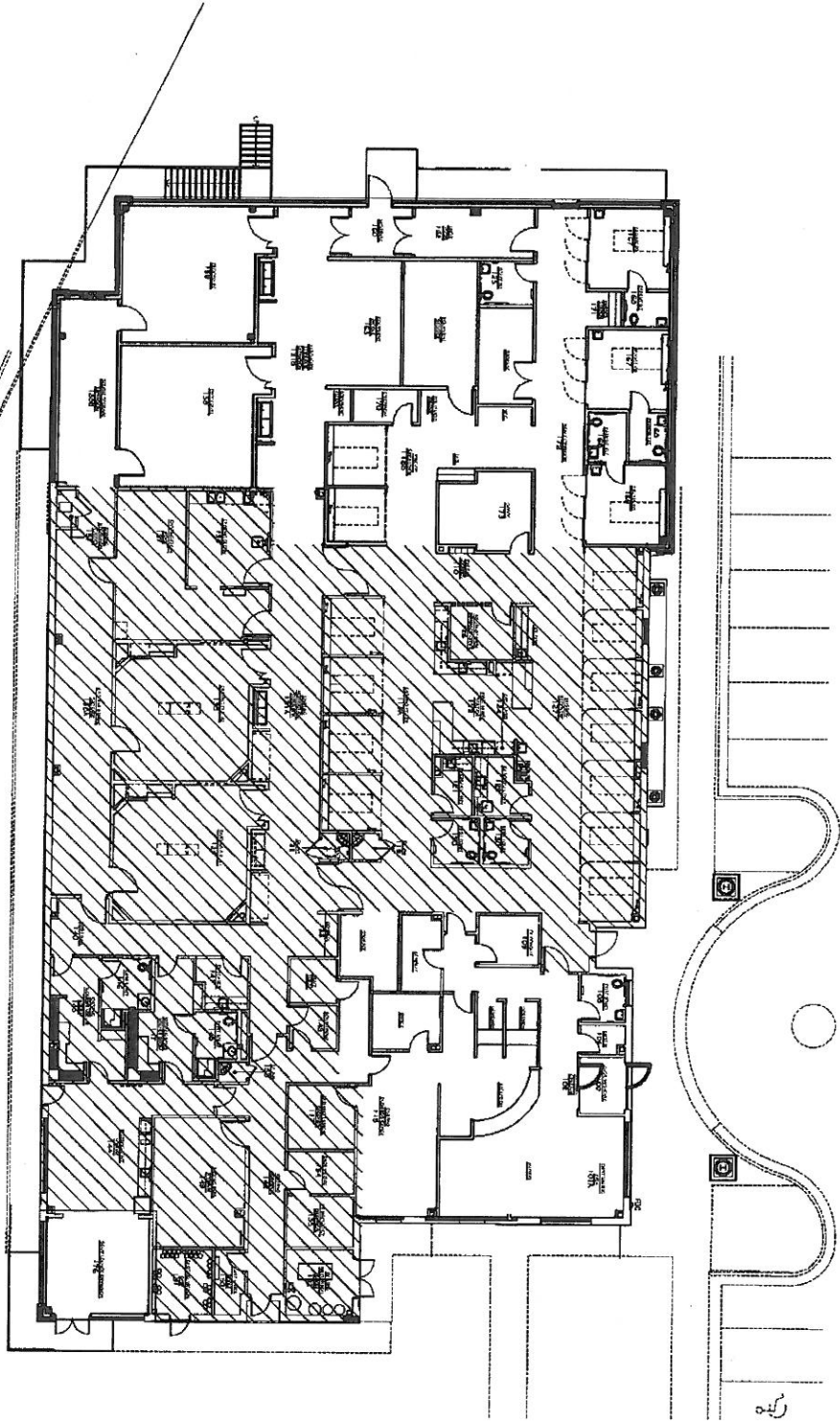
Thank you for your consideration of this request. Please feel free to contact me at (919) 596-8524 if you have any questions or need additional information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christine Washick".

Christine Washick, RN, CASC
Administrator

Attachment: Exhibits 1 to 4



SCHEMATIC PLAN
 5,320 SQ. FT. ADDITION
 1,930 SQ. FT. RENOVATION

TRIANGLE SURGERY CENTER

7921 ACC Boulevard | Raleigh, NC

OPTION E

26. March, 2019

GOODWYN | MILLS | CAWOOD

5310 West End Ave., Suite 420 | Nashville, TN 37205
 Tel: 615-533-7200 | GMCNETWORK.COM

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Acute and Home Care Licensure and Certification Section
Regular Mail: 1205 Umstead Drive
2712 Mail Service Center
Raleigh, N.C. 27699-2712
Overnight UPS and FedEx only: 1205 Umstead Drive
Raleigh, North Carolina 27603
Telephone: (919) 855-4620

For Official Use Only
License # ASD142
Medicare Provider #:
FID #: 101146
PC _____ Date _____

Total License Fee..... \$1,000.00

2019
AMBULATORY SURGICAL FACILITY
LICENSE RENEWAL APPLICATION

Legal Identity of Applicant: Triangle Orthopaedics Surgery Center, LLC
(Full legal name of corporation, partnership, individual, or other legal entity owning the enterprise or service.)

Doing Business As
(d/b/a) name(s) under which the facility or services are advertised or presented to the public:

PRIMARY: Triangle Orthopaedics Surgery Center

Other:

Other:

Facility Mailing Address: 7921 ACC Blvd
Raleigh, NC 27617

Facility Site Address: 7921 ACC Blvd
Raleigh, NC 27617

County: Wake
Telephone: (919)596-8524
Fax: (919)596-6640

Administrator/Director: Christine Washick Title: RN Administrator

Chief Executive Officer (PRINT OR TYPE): Jim Cascier, Pharm.D

Title: CEO
(Designated agent (individual) responsible to the governing body (owner) for the management of the licensed facility)

Name of the person to contact for any questions regarding this form:

Name: Christine Washick

Telephone: (919) 596-8524 ext 7106

E-Mail: cwashick@triangleortho.com

All responses should pertain to October 1, 2017 thru September 30, 2018.

For questions regarding this page, please contact Azzie Conley at (919) 855-4646.

In accordance with Session Law 2013-382 and 10A NCAC 13C .0103(13) and 13C .0301(d), on the license renewal application provided by the Division, the facility shall provide to the Division the direct website address to the facility's financial assistance policy. Please use Form 990 Schedule B and/or Schedule H as a reference.

- 1) Please provide the main website address for the facility:

WWW.triangleorthosurgerycenter.com

- 2) In accordance with 131E-214.4(a) DHSR can no longer post a link to internet Websites to demonstrate compliance with this statute.

- A) Please provide the website address and/or link to access the facility's charity care policy and financial assistance policy:

WWW.triangleorthosurgerycenter.com/financialarrangements/

- B) Also, please attach a copy of the facility's charity care policy and financial assistance policy:
Feel free to email the copy of the facility's charity care policy to:
DHHS.DHSR.ASC.CharityCare.Policy@dhhs.nc.gov.

- 3) Please provide the following financial assistance data. All responses can be located on Form 990 and/or Form 990 Schedule H.

Contribution, Gifts, Grants and other similar Amounts <i>(Form 990; Part VIII 1(b))</i>	Annual Financial Assistance at Cost <i>(Form 990; Schedule H Part I, 7(a)(c))</i>	Bad Debt Expense <i>(Form 990; Schedule H Part III, Section A(2))</i>	Bad Debt Expense Attributable to Patients eligible under the organization's financial assistance policy <i>(Form 990; Schedule H Part III, Section A(3))</i>
0	0	0	0

AUTHENTICATING SIGNATURE: this attestation statement is to validate compliance with GS 131E-91 as evidenced through 10A NCAC 13C .0301 and all requirements set forth to assure compliance with fair billing and collection practices.

Signature: Christine Washick Date: 11/14/2018

Print Name of Approving Official:

Christine Washick RN, CASC, Administrator

All responses should pertain to October 1, 2017 thru September 30, 2018.

ITEMIZED CHARGES: Licensure Rule 10 NCAC 13C .0205 requires the Applicant to provide itemized billing. Indicate which method is used:

- a. The facility provides a detailed statement of charges to all patients.
- b. Patients are advised that such detailed statements are available upon request.

Ownership Disclosure (Please fill in any blanks and make changes where necessary.)

1. What is the name of the legal entity with ownership responsibility and liability?

Owner: Triangle Orthopaedics Surgery Center, LLC
 National Provider Identifier (NPI): 1396089108
 Street/Box: 7921 ACC Blvd
 City: Raleigh State: NC Zip: 27617
 Telephone: (919)596-8524 Fax: (919)596-6640
 CEO: Jim Carrier CEO

Is your facility part of a Health System? [i.e., are there other ambulatory surgical facilities, hospitals, nursing homes, home health agencies, etc. owned by your facility, a parent company or a related entity?]

Yes No

If "Yes," name of Health System _____

- a. Legal entity is: For Profit Not For Profit
- b. Legal entity is: Corporation Limited Liability Corporation (LLC) Partnership
 Proprietorship Limited Liability Partnership (LLP) Government Unit
- c. Does the above entity (individual, partnership, corporation, etc.) LEASE the building from which services are offered? Yes No

If "YES", name and address of building owner:

2. Is the business operated under a management contract? Yes No

If "Yes", name and address of the management company

Name: NO
 Street/Box: _____
 City: _____ State: _____ Zip: _____
 Telephone: () _____

All responses should pertain to October 1, 2017 thru September 30, 2018.

3. Accreditation: (Please fill in any blanks and change where necessary. If you are deemed, please attach a copy of the deeming letter from the accrediting agency. If surveyed within the last twelve (12) months, attach or mail a copy of your accreditation report and grid to this office. If applicable, attach copy of plan of correction.)

- a. Is this facility TJC accredited? Yes No Expiration Date: _____
- b. Is this facility AAAHC accredited? Yes No Expiration Date: 5/20/2019
- c. Is this facility AAAASF accredited? Yes No Expiration Date: _____
- d. Is this facility DNV accredited? Yes No Expiration Date: _____
- e. Are you a Medicare deemed provider? Yes No

Reporting Period: All responses should pertain to October 1, 2017 to September 30, 2018.

Meals:

- a. Are meals provided for patients? Yes No
- b. If 'Yes', describe arrangements for this service: _____
- c. If 'Yes', what is the date of the last sanitation inspection: _____
- d. Date of last Fire Marshal inspection: _____
- e. Date inspected by the Health Department: _____

Hours:

Indicate the number of hours (e.g., 8 hrs) that the facility is routinely open for surgery and recovery each day: Enter a zero (0) if not open

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
0	10	10	10	10	10	0

Anesthesia:

- a. Qualifications of persons administering anesthesia (check one or more)
 Anesthesiologist Other M.D. CRNA RN DDS
- b. Name of Anesthesia Group: Regional Anesthesia PLLC Durham, NC
- c. Provide information regarding the use and storage of flammable anesthesia: NO flammable anesthesia stored on site.

All responses should pertain to October 1, 2017 thru September 30, 2018.

Other Information Needed:

- a. Name of laboratory and pathology services utilized: Rex Laboratory + Rex Pathology
- b. Name of hospital with which transfer agreement has been made: REX, WakeMed, NCSH
- c. Describe arrangements for emergency transportation of patients from the facility:
EMS is dispatched for emergency transfers to hospital. Agreement with North State Medical for non-emergent transfers.
- d. Do you provide recovery care services overnight? Yes No
- e. Are surgical abortions performed in this facility? Yes No
If "Yes", please give the number of abortions performed during the reporting period: _____
- f. Are medical abortions performed in this facility? Yes No
If "Yes", please give the number of abortions performed during the reporting period: _____

Composition of Surgical Staff:

Please indicate below the number of physicians credentialed to perform surgery in your ambulatory surgical program during the reporting period.

Surgical Specialist	Number
Anesthesiologist	15
Dentist	0
Gastroenterologist	0
General Surgeon	0
Gynecologist	0
Neurologist	0
Obstetrician	0
Ophthalmologist	0
Oral Surgeon	0
Orthopedic Surgeon	2
Otolaryngologist	0
Plastic Surgeon	0
Podiatrist	0
Thoracic Surgeon	0
Urologist	0
Vascular Surgeon	0
Other	0
Total:	38

Name of Chief of Staff: William Hage MD

Name of Director of Nursing: Jessica Steele RN BSN

All responses should pertain to October 1, 2017 thru September 30, 2018.

Surgical Operating Rooms; Procedure Rooms; and Gastrointestinal Endoscopy Rooms, Cases and Procedures:

20 Most Common Outpatient Surgical Cases Table - Enter the number of surgical cases performed only in licensed operating rooms and / or licensed endoscopy room by the top 20 most common outpatient surgical cases in the table below by CPT code. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery.

CPT Code	Description	Cases
29827	Arthroscopy, shoulder, surgical; with rotator cuff repair	233
29880	Arthroscopy, knee, surgical; with meniscectomy (medial and lateral, including any meniscal shaving) including debridement/shaving of articular cartilage (chondroplasty), same or separate compartment(s), when performed	126
29881	Arthroscopy, knee, surgical; with meniscectomy (medial or lateral, including any meniscal shaving) including debridement/shaving of articular cartilage (chondroplasty), same or separate compartment(s), when performed	314
42820	Tonsillectomy and adenoidectomy; younger than age 12	0
42830	Adenoidectomy, primary; younger than age 12	0
43235	Upper gastrointestinal endoscopy including esophagus, stomach, and either the duodenum and/or jejunum as appropriate; diagnostic, with or without collection of specimen(s) by brushing or washing (separate procedure)	0
43239	Upper gastrointestinal endoscopy including esophagus, stomach, and either the duodenum and/or jejunum as appropriate; with biopsy, single or multiple	0
43248	Upper gastrointestinal endoscopy including esophagus, stomach, and either the duodenum and/or jejunum as appropriate; with insertion of guide wire followed by dilation of esophagus over guide wire	0
43249	Upper gastrointestinal endoscopy including esophagus, stomach, and either the duodenum and/or jejunum as appropriate; with balloon dilation of esophagus (less than 30 mm diameter)	0
45378	Colonoscopy, flexible, proximal to splenic flexure; diagnostic, with or without collection of specimen(s) by brushing or washing, with or without colon decompression (separate procedure)	0
45380	Colonoscopy, flexible, proximal to splenic flexure; with biopsy, single or multiple	0
45384	Colonoscopy, flexible, proximal to splenic flexure; with removal of tumor(s), polyp(s), or other lesion(s) by hot biopsy forceps or bipolar cautery	0
45385	Colonoscopy, flexible, proximal to splenic flexure; with removal of tumor(s), polyp(s), or other lesion(s) by snare technique	0
62311	Injection(s), of diagnostic or therapeutic substance(s) (including anesthetic, antispasmodic, opioid, steroid, other solution), not including neurolytic substances, including needle or catheter placement, includes contrast for localization when performed, epidural or subarachnoid; lumbar or sacral (caudal)	0
64483	Injection(s), anesthetic agent and/or steroid, transforaminal epidural, with imaging guidance (fluoroscopy or computed tomography); lumbar or sacral, single level	0
64721	Neuroplasty and/or transposition; median nerve at carpal tunnel	85
66821	Discussion of secondary membranous cataract (opacified posterior lens capsule and/or anterior hyaloid); laser surgery (e.g., YAG laser) (one or more stages)	0
66982	Extracapsular cataract removal with insertion of intraocular lens prosthesis (one stage procedure), manual or mechanical technique (e.g., irrigation and aspiration or phacoemulsification), complex, requiring devices or techniques not generally used in routine cataract surgery (e.g., iris expansion device, suture support for intraocular lens, or primary posterior capsulorhexis) or performed on patients in the amblyogenic developmental stage	0
66984	Extracapsular cataract removal with insertion of intraocular lens prosthesis (stage one procedure), manual or mechanical technique (e.g., irrigation and aspiration or phacoemulsification)	0
69436	Tympanostomy (requiring insertion of ventilating tube), general anesthesia	0

All responses should pertain to October 1, 2017 thru September 30, 2018.

A. Total Existing Licensed Surgical Operating Rooms: # 2

A Surgical Operating Room is defined as a room "used for the performance of surgical procedures requiring one or more incisions and that is required to comply with all applicable licensure codes and standards for an operating room" (G.S. §131E-146(1c)). Do not include unlicensed procedure rooms or GI endoscopy rooms listed in Part B. or C., which follow.

B. Gastrointestinal Endoscopy Rooms, Procedures, and Cases:

Report the number of *Gastrointestinal Endoscopy* rooms, and the Endoscopy cases and procedures performed during the reporting period, in GP Endoscopy Rooms and in any other location.

Total Licensed Gastrointestinal Endoscopy Rooms: # 0

GI Endoscopies*	PROCEDURES	CASES	TOTAL CASES
Performed in Licensed GI Endoscopy Rooms	0	0	0
NOT Performed in Licensed GI Endoscopy Rooms	0	0	0
TOTAL CASES - must match total reported on Page 12 (Patient Origin - GI Endoscopy Cases) →			0

*As defined in 10A NCAC 14C .3901 "Gastrointestinal (GI) endoscopy procedure" means a single procedure, identified by CPT code or ICD-9-PCS [ICD-10-PCS] procedure code, performed on a patient during a single visit to the facility for diagnostic or therapeutic purposes."

C. Procedure Rooms (Excluding Operating Rooms and Gastrointestinal Endoscopy Rooms)

Report rooms, which are not licensed as operating rooms or GI endoscopy rooms, but that are used for performance of surgical procedures other than Gastrointestinal Endoscopy procedures.

Total Procedure Rooms: # 0

D. Total recovery room beds: # 7

All responses should pertain to October 1, 2017 thru September 30, 2018.

A. Total Existing Licensed Surgical Operating Rooms: # 2

A Surgical Operating Room is defined as a room "used for the performance of surgical procedures requiring one or more incisions and that is required to comply with all applicable licensure codes and standards for an operating room" (G.S. §131E-146(1c)). Do not include unlicensed procedure rooms or GI endoscopy rooms listed in Part B. or C., which follow.

B. Gastrointestinal Endoscopy Rooms, Procedures, and Cases:

Report the number of Gastrointestinal Endoscopy rooms, and the Endoscopy cases and procedures performed during the reporting period, in GP Endoscopy Rooms and in any other location.

Total Licensed Gastrointestinal Endoscopy Rooms: # 0

GI Endoscopies*	PROCEDURES	CASES	TOTAL CASES
Performed in Licensed GI Endoscopy Rooms	0	0	0
NOT Performed in Licensed GI Endoscopy Rooms	0	0	0
TOTAL CASES - must match total reported on Page 12 (Patient Origin - GI Endoscopy Cases) →			0

*As defined in 10A NCAC 14C .3901 " 'Gastrointestinal (GI) endoscopy procedure' means a single procedure, identified by CPT code or ICD-9-PCS [ICD-10-PCS] procedure code, performed on a patient during a single visit to the facility for diagnostic or therapeutic purposes."

C. Procedure Rooms (Excluding Operating Rooms and Gastrointestinal Endoscopy Rooms)

Report rooms, which are not licensed as operating rooms or GI endoscopy rooms, but that are used for performance of surgical procedures other than Gastrointestinal Endoscopy procedures.

Total Procedure Rooms: # 0

D. Total recovery room beds: # 7

All responses should pertain to October 1, 2017 thru September 30, 2018.

Surgical and Non-Surgical Cases

A. **Surgical Cases by Specialty Area** - Enter the number of surgical cases performed only in licensed operating rooms by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area - the total number of surgical cases is an unduplicated count of surgical cases. Please do not include abortion procedures on this table. Count all surgical cases performed only in licensed operating rooms. The total number of surgical cases must match the total number of patients listed in the Patient Origin Table on page 11.

Surgical Specialty Area	Cases
Cardiothoracic	0
General Surgery	0
Neurosurgery	0
Obstetrics and GYN	0
Ophthalmology	0
Oral Surgery/Dental	0
Orthopedics	2,403
Otolaryngology	0
Plastic Surgery	0
Podiatry	0
Urology	0
Vascular	0
Other Surgeries (specify)	0
Other Surgeries (specify)	0
Total Surgical Cases Performed Only in Licensed ORs (must match total on page 11)	2,403

B. Number of surgical procedures performed in unlicensed Procedure Rooms 0

C. **Non-Surgical Cases by Category** - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category - the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location.

Non-Surgical Category	Cases
Endoscopies OTHER THAN GI Endoscopies	0
Performed in Licensed GI Endoscopy Room	0
NOT Performed in Licensed GI Endoscopy Room	0
Other Non-Surgical Cases	0
Pain Management	0
Cystoscopy	0
YAG Laser	0
Other (specify)	0

All responses should pertain to October 1, 2017 thru September 30, 2018.

D. Average Operating Room Availability and Average Case Times:

For questions regarding this page, please contact Healthcare Planning at 919-855-3865.

Based on your facility's experience, please complete the table below by showing the averages for all licensed operating rooms in your facility. Healthcare Planning uses this data in the operating room need methodology. Average case times should be calculated, not estimated. When reporting case times, be sure to include set-up and clean-up times.

Average Hours per Day Routinely Scheduled for Use Per Room*	Average Number of Days per Year Routinely Scheduled for Use	Average Case Time ** in Minutes for Ambulatory Cases
16	252	113

* Use only Hours per Day routinely scheduled when determining the answer. Example:

A facility has 3 ORs: 2 are routinely scheduled for use 8 hours per day, and 1 is routinely scheduled for use 9 hours per day.

2 rooms	x	8 hours	=	16 hours	
1 room	x	9 hours	=	9 hours	
Total hours per day				25 hours	
					25 hours divided by 3 ORs
					= 8.3 Average Hours per day
					Routinely Scheduled for Use Per Room

** Case Time = Time from Room Set-up Start to Room Clean-up Finish. Definition 2.4 from the "Procedural Times Glossary" of the AACD, as approved by ASA, ACS, and AORN. *NOTE: This definition includes all of the time for which a given procedure requires an OR. It allows for the different duration of Room Set-up and Room Clean-up Times that occur because of the varying supply and equipment needs for a particular procedure.*

Reimbursement Source

PRIMARY PAYER SOURCE	NUMBER OF CASES
Self Pay	38
Charity Care	8
Medicare*	376
Medicaid*	133
Insurance*	1660
Other (Specify) <i>Workers Compensation</i>	138
TOTAL	2403

* Including any managed care plans.

All responses should pertain to October 1, 2017 thru September 30, 2018.

Definition of Health System for Operating Room Need Determination Methodology

If this is a GI Endoscopy Only facility, do not complete the Health System section.

The Operating Room need determination methodology uses the following definition of "health system" that differs from the definition on page 3 of the License Renewal Application. (Note that for most facilities, the health system entered here will be the same health system entered on page 3, but it may not be. Please read this definition carefully.)

- A "health system" includes all licensed health service facilities located in the same county that are owned or leased by:
1. the same legal entity (i.e., the same individual, trust or estate, partnership, corporation, hospital authority, or the State or political subdivision, agency or instrumentality of the State); or
 2. the same parent corporation or holding company; or
 3. a subsidiary of the same parent corporation or holding company; or
 4. a joint venture in which the same parent, holding company, or a subsidiary of the same parent or holding company is a participant and has the authority to propose changes in the location or number of ORs in the health service facility.

A health system consists of one or more health service facilities.

Based on the above definition, is this facility in a health system? Yes No

If so, name of health system: _____

Imaging Procedures

20 Most Common Outpatient Imaging Procedures Table - Enter the number of the top 20 common imaging procedures performed in the ambulatory surgical center in the table below by CPT code.

CPT Code	Description	Procedure #
70450	Computed tomography, head or brain; without contrast material	2
70486	Computed tomography, facial bone; without contrast material	2
70551	Magnetic resonance (e.g., proton) imaging, brain (including brain stem); without contrast material	
70553	Magnetic resonance (e.g., proton) imaging, brain (including brain stem); without contrast material followed by contrast material(s) and further sequences	
71020	Radiologic examination, chest; two views, frontal and lateral	
71250	Computed tomography, thorax; without contrast material(s)	
71260	Computed tomography, thorax; with contrast material(s)	
71275	Computed tomographic angiography, chest (noncoronary), with contrast material(s), including noncontrast images, if performed, and image postprocessing	
72100	Radiologic examination, spine, lumbosacral; two or three views	
72110	Radiologic examination, spine, lumbosacral; minimum of four views	
72125	Computed tomography, cervical spine; without contrast material	
72141	Magnetic resonance (e.g., proton) imaging, spine cervical without contrast material	
72148	Magnetic resonance (e.g., proton) imaging, spine lumbar without contrast material	
73221	Magnetic resonance (e.g., proton) imaging, upper joint (e.g. shoulder, elbow, wrist) extremity without contrast material	
73630	Radiologic examination, foot; complete, minimum of three views	
73721	Magnetic resonance (e.g., proton) imaging, lower joint (e.g. knee, ankle, mid-hind foot, hip) extremity without contrast material	
74000	Radiologic examination, abdomen; single anteroposterior view	
74176	Computed tomography, abdomen and pelvis; without contrast material	
74177	Computed tomography, abdomen and pelvis; with contrast material(s)	
74178	Computed tomography, abdomen and pelvis; with contrast material(s) followed by contrast material	5

All responses should pertain to October 1, 2017 thru September 30, 2018.

Patient Origin - Ambulatory Surgical Services

In an effort to document patterns of utilization of ambulatory surgical services in North Carolina's licensed freestanding ambulatory surgical facilities, you are asked to provide the county of residence for each patient (as reported on page 8) who had Ambulatory Surgery in your facility during the reporting period.

Total number of patients must match the total number of surgical cases from the "Surgical Cases by Specialty Area" table on page 8.

County	No. of Patients	County	No. of Patients	County	No. of Patients
1. Alamance	37	37. Gates	0	73. Person	36
2. Alexander	0	38. Graham	0	74. Pitt	5
3. Alleghany	0	39. Granville	45	75. Polk	0
4. Anson	0	40. Greene	1	76. Randolph	5
5. Ashe	0	41. Guilford	6	77. Richmond	1
6. Avery	0	42. Halifax	7	78. Robeson	1
7. Beaufort	0	43. Harnett	63	79. Rockingham	0
8. Bertie	0	44. Haywood	0	80. Rowan	0
9. Bladen	3	45. Henderson	0	81. Rutherford	0
10. Brunswick	2	46. Hertford	1	82. Sampson	21
11. Buncombe	0	47. Hoke	0	83. Scotland	0
12. Burke	0	48. Hyde	0	84. Stanly	0
13. Cabarrus	0	49. Iredell	1	85. Stokes	1
14. Caldwell	0	50. Jackson	0	86. Surry	2
15. Camden	0	51. Johnston	191	87. Swain	0
16. Carteret	1	52. Jones	1	88. Transylvania	0
17. Caswell	4	53. Lee	11	89. Tyrrell	0
18. Catawba	2	54. Lenoir	9	90. Union	0
19. Chatham	23	55. Lincoln	0	91. Vance	24
20. Cherokee	1	56. Macon	0	92. Wake	1258
21. Chowan	0	57. Madison	0	93. Warren	4
22. Clay	0	58. Martin	0	94. Washington	0
23. Cleveland	0	59. McDowell	1	95. Watauga	0
24. Columbus	1	60. Mecklenburg	2	96. Wayne	67
25. Craven	3	61. Mitchell	0	97. Wilkes	0
26. Cumberland	11	62. Montgomery	1	98. Wilson	47
27. Currituck	0	63. Moore	14	99. Yadkin	0
28. Dare	0	64. Nash	45	100. Yancey	0
29. Davidson	0	65. New Hanover	5		
30. Davie	0	66. Northampton	2	101. Georgia	2
31. Duplin	3	67. Onslow	2	102. South Carolina	3
32. Durham	201	68. Orange	73	103. Tennessee	1
33. Edgecombe	4	69. Pamlico	0	104. Virginia	16
34. Forsyth	3	70. Pasquotank	0	105. Other States	16
35. Franklin	133	71. Pender	0	106. Other/Unknown	0
36. Gaston	0	72. Perquimans	0	Total No. of Patients	2403

All responses should pertain to October 1, 2017 thru September 30, 2018.

Patient Origin –Gastrointestinal (GI) Endoscopy Services

In an effort to document patterns of utilization of gastrointestinal endoscopy services in North Carolina's licensed freestanding ambulatory surgical facilities, you are asked to provide the county of residence for each patient who had a Gastrointestinal Endoscopy in your facility during the reporting period.

Total number of patients must match GI Endoscopy Cases from the "Gastrointestinal Endoscopy Rooms, Procedures, and Cases" table on page 7.

County	No. of Patients	County	No. of Patients	County	No. of Patients
1. Alamance	<input type="radio"/>	37. Gates	<input type="radio"/>	73. Person	<input type="radio"/>
2. Alexander	<input type="radio"/>	38. Graham	<input type="radio"/>	74. Pitt	<input type="radio"/>
3. Alleghany	<input type="radio"/>	39. Granville	<input type="radio"/>	75. Polk	<input type="radio"/>
4. Anson	<input type="radio"/>	40. Greene	<input type="radio"/>	76. Randolph	<input type="radio"/>
5. Ashe	<input type="radio"/>	41. Guilford	<input type="radio"/>	77. Richmond	<input type="radio"/>
6. Avery	<input type="radio"/>	42. Halifax	<input type="radio"/>	78. Robeson	<input type="radio"/>
7. Beaufort	<input type="radio"/>	43. Harnett	<input type="radio"/>	79. Rockingham	<input type="radio"/>
8. Bertie	<input type="radio"/>	44. Haywood	<input type="radio"/>	80. Rowan	<input type="radio"/>
9. Bladen	<input type="radio"/>	45. Henderson	<input type="radio"/>	81. Rutherford	<input type="radio"/>
10. Brunswick	<input type="radio"/>	46. Hertford	<input type="radio"/>	82. Sampson	<input type="radio"/>
11. Buncombe	<input type="radio"/>	47. Hoke	<input type="radio"/>	83. Scotland	<input type="radio"/>
12. Burke	<input type="radio"/>	48. Hyde	<input type="radio"/>	84. Stanly	<input type="radio"/>
13. Cabarrus	<input type="radio"/>	49. Iredell	<input type="radio"/>	85. Stokes	<input type="radio"/>
14. Caldwell	<input type="radio"/>	50. Jackson	<input type="radio"/>	86. Surry	<input type="radio"/>
15. Camden	<input type="radio"/>	51. Johnston	<input type="radio"/>	87. Swain	<input type="radio"/>
16. Carteret	<input type="radio"/>	52. Jones	<input type="radio"/>	88. Transylvania	<input type="radio"/>
17. Caswell	<input type="radio"/>	53. Lee	<input type="radio"/>	89. Tyrrell	<input type="radio"/>
18. Catawba	<input type="radio"/>	54. Lenoir	<input type="radio"/>	90. Union	<input type="radio"/>
19. Chatham	<input type="radio"/>	55. Lincoln	<input type="radio"/>	91. Vance	<input type="radio"/>
20. Cherokee	<input type="radio"/>	56. Macon	<input type="radio"/>	92. Wake	<input type="radio"/>
21. Chowan	<input type="radio"/>	57. Madison	<input type="radio"/>	93. Warren	<input type="radio"/>
22. Clay	<input type="radio"/>	58. Martin	<input type="radio"/>	94. Washington	<input type="radio"/>
23. Cleveland	<input type="radio"/>	59. McDowell	<input type="radio"/>	95. Watauga	<input type="radio"/>
24. Columbus	<input type="radio"/>	60. Mecklenburg	<input type="radio"/>	96. Wayne	<input type="radio"/>
25. Craven	<input type="radio"/>	61. Mitchell	<input type="radio"/>	97. Wilkes	<input type="radio"/>
26. Cumberland	<input type="radio"/>	62. Montgomery	<input type="radio"/>	98. Wilson	<input type="radio"/>
27. Currituck	<input type="radio"/>	63. Moore	<input type="radio"/>	99. Yadkin	<input type="radio"/>
28. Dare	<input type="radio"/>	64. Nash	<input type="radio"/>	100. Yancey	<input type="radio"/>
29. Davidson	<input type="radio"/>	65. New Hanover	<input type="radio"/>		
30. Davie	<input type="radio"/>	66. Northampton	<input type="radio"/>	101. Georgia	<input type="radio"/>
31. Duplin	<input type="radio"/>	67. Onslow	<input type="radio"/>	102. South Carolina	<input type="radio"/>
32. Durham	<input type="radio"/>	68. Orange	<input type="radio"/>	103. Tennessee	<input type="radio"/>
33. Edgecombe	<input type="radio"/>	69. Pamlico	<input type="radio"/>	104. Virginia	<input type="radio"/>
34. Forsyth	<input type="radio"/>	70. Pasquotank	<input type="radio"/>	105. Other States	<input type="radio"/>
35. Franklin	<input type="radio"/>	71. Pender	<input type="radio"/>	106. Other/Unknown	<input type="radio"/>
36. Gaston	<input type="radio"/>	72. Perquimans	<input type="radio"/>	Total No. of Patients	<input type="radio"/>

2019 License Renewal Application for Ambulatory Surgical Facility:
Triangle Orthopaedics Surgery Center

License No: AS0142
Facility ID: 101146

All responses should pertain to October 1, 2017 ~~thru~~ September 30, 2018.

This license renewal application must be completed and submitted to the Acute and Home Care Licensure and Certification Section, Division of Health Service Regulation prior to the issuance of a 2019 Ambulatory Surgical Facility license.

AUTHENTICATING SIGNATURE: The undersigned submits application for licensure subject to the provisions of G.S. 131E-147 and Licensure Rules 10A NCAC 13C adopted by the Medical Care Commission, and certifies the accuracy of this information.

Signature: Christine A. Washick Date: 11/14/2018

Print Name & Title of Approving Official:

Christine A. Washick RUCASC Administrator

Please be advised, the licensure fee must accompany the completed application and be submitted to the Acute and Home Care Licensure and Certification Section, Division of Health Service Regulation, prior to the issuance of an ambulatory surgical facility license.

Triangle Orthopaedic Surgical Center
POLICIES & PROCEDURES

11/15

Department: Accounting

Subject: Charity Care and Financial Assistance

Approval Signature:

Revision Dates:

Page 1 of 4

Policy: It is the desire of Triangle Orthopaedic Surgical Center (TOSC) to provide financial assistance or charity care to those patients in need of such assistance residing in Durham County, North Carolina. TOSC considers each patient's ability to pay for his or her medical care and is committed to treating patients who have financial needs with the same dignity and consideration that is extended to all of its patients. TOSC intends, with this policy, to establish financial assistance procedures that are compliant with applicable federal, state and local laws.

Scope of Policy: This policy shall cover health care services provided by TOSC and does not include physician, anesthesia services and other services provided by outside vendors. Patients residing in the counties in which Triangle Orthopaedics is located are eligible for Charity Care or Financial Assistance, except those patients presenting to TOSC with emergency medical conditions regardless of their ability to pay. TOSC has established procedures to aide and assist those patients who have demonstrated financial hardship and cannot meet the costs of the healthcare services they receive at TOSC. TOSC may assist patients in receiving available resources for payment of their services. When such resources are not available, patients will be evaluated for voluntary Charity Care.

This policy does not apply to patients who are "underinsured" as opposed to uninsured; for example, it is not the intent of this policy to provide free or discounted care to patients who have health insurance with high deductibles or coinsurance.

Definitions:

Charity Care means the ability to receive free care. It refers to the inability of a patient to pay for medical care. In comparison, Bad Debt is an unwillingness of a patient to pay for medical care. Charity Care is designed to assist those patients who are unable to pay for all, or part, of their health care expenses. Charity Care is not designed to assist those who are able, yet unwilling, to pay. The patient's willingness to discuss his/her account and disclose pertinent financial information is often relied upon to make the distinction between inability and unwillingness to pay.

Financial Assistance means the ability to receive care at a discounted rate.

Uninsured Patient means an individual who does not have any third-party health care coverage by (a) a third party insurer, (b) an ERISA plan, (c) a Federal Health Care Program (including, without limitation, Medicare, Medicaid, SCHIP and Tricare), (d) Worker's Compensation, Medical Savings Accounts or other coverage for all or any part of the bill, including claims against third parties covered by insurance to which TOSC is subrogated, but only if payment is actually made by such insurance company.

Federal Health Care Program means any health care program operated or financed at least in part by the federal, state or local government

Department: Accounting

Subject: Charity Care and Financial Assistance

Approval Signature:

Revision Dates:

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Procedure:

Eligibility

Any person with the inability to pay all or part of their financial responsibility to Triangle Orthopaedic Surgical Center for TOSC provided services. Patients who are receiving elective cosmetic or plastic surgery are not eligible. Patients who are uninsured for the relevant service, who are ineligible for governmental or other insurance coverage, and who have family incomes not in excess of 200% of the Federal Poverty Levels, will be eligible to receive free care. (See attached Schedule A).

Patients who are uninsured for the relevant service and who are ineligible for governmental or other insurance coverage, and who have family incomes in excess of 200%, but not exceeding 500%, of the Federal Poverty Level, will be eligible to receive Financial Assistance in the form of a partial discount of charges. (See attachment Schedule A.)

Homeless Patients will qualify for Charity Care as a result of their "homeless" status. These patients will not be assessed a copay for their care. "Homeless" status may be determined from:

The patient providing proof of residence at a homeless shelter

A "Homeless" diagnosis documented by the physician and coded by Medical Records

Prior "homeless" determination by TOSC

"Homeless" status is determined as a result of skip-tracing of returned mail.

Eligibility Determination

The determination of Charity Care eligibility and approval of Charity Care is completed prior to rendering services .

Once a patient is identified as uninsured, TOSC personnel shall give the patient the TOSC Charity Care and Financial Assistance Application. The Uninsured Patient must complete the Application for Financial Assistance. Some or all of the following documentation will be required at the time of application:

- Medical Assistance eligibility /denial notice if applicable.
- Income Tax returns for the most recently filed year.
- Proof of income and Adjusted Gross Income such as:
 - Pay stubs from the past six (6) pay periods
 - W-2 withholding statement
 - Social Security checks, receipts or deposits
 - Bank statements – checking and savings
 - Any other documentation that may secure as proof of Charity Care or Financial Assistance eligibility.

Department: Accounting

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Approval Signature:

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The financial resources of a parent or guardian may be considered in determining the eligibility of a patient who is dependent on their parents or guardian for financial support.

Participation

A completed TOSC Charity Care and Financial Assistance Application will be forwarded to the Business Office Manager. When the Application for Charity Care is received, the staff will review and determine (through the use of the Charity Care and Financial Assistance Worksheet) if the application is complete and whether the documentation supports Charity Care or Financial Assistance eligibility.

Charity Care patients will receive 100% discount of the charges (except for personal charges incurred by the patient). The patient will not receive a bill for TOSC charges; however, the patient is responsible for and may receive a bill for other in-hospital services such as additional meals, telephone long distance calls, etc.

Patients extended Financial Assistance in the form of a partial discount must sign a written agreement to pay the amount of the charges remaining after deducting the discount. The Financial Assistance partial discounts are set forth in Schedule A. The patient will receive a bill showing charges, the amount of the discount and the amount due. Physician, Anesthesia Services and other services provided by outside vendors are not covered by this policy and patients seeking discount for such services should be directed to call the physician or outside vendor directly.

Patients who do not provide the requested information necessary to completely and accurately assess their financial situation and /or who do not cooperate with efforts to secure governmental health care coverage will not be eligible for Charity Care or Financial Assistance. However, in normal circumstances, such cooperation should not be a precondition to the receipt of medically necessary treatment, especially in emergency care.

Applications outside of these guidelines may be approved based upon extraordinary circumstances with the documented approval of the Chief Financial Officer.

Collection of amounts due from patients receiving Financial Assistance shall be handled pursuant to the TOSC Policy on Collections.

Calculation of Financial Liability

TOSC personnel will evaluate the financial liability of an Uninsured Patient based on the Uninsured Patient's household income and family size. Personnel shall use the TOSC Charity Care and Financial Assistance Grid and /or Worksheet (Schedule A) when calculating the Uninsured Patient's financial liability.

Department: Accounting

Subject: Charity Care and Financial Assistance

Approval Signature:

Revision Dates:

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Exceptions

It is recognized that there is a small percentage of the uninsured patient population that has substantial assets and could easily afford to pay for health care services, but who, because of having tax-exempt income or otherwise, will not have income reflected on a tax return. This policy is not intended to apply to this portion of the uninsured population.

Miscellaneous

Confidentiality

Confidentiality of information and preservation of individual dignity will be maintained for all applying for Charity Care. No information obtained in the patient's Application for Charity Care may be released unless the patient gives express permission.

Physician Participation

Physician participation in providing care to charity cases will be strongly encouraged. TOSC will encourage and support staff physicians to provide a certain level of Charity Care for patients that the physician sees at the hospital.

Additional Requestors

Charity Care requests may be submitted by persons other than the patient, such as the patient's family, physician, clergy, social worker or hospital personnel. The patient shall be informed of such a request.

Alternative Handling of Charges

Upon denial of a patient's Charity Care application, hospital administration may consider other alternatives for patient's medical care. Such alternatives may include:

- a reduction in the fees charged
- whole or partial write-off of the patient's account
- reasonable payment terms for the patient
- elimination of interest charged on periodic payment

Lincoln Community Health Center / Project Access of Durham County (PADC) / Project Access of Wake County (PAWC)

TOSC will accept the due diligence performed by Lincoln Community Health Center (LCHC), Project Access of Durham County or Project Access of Wake County to qualifying patients referred from LCHC, PADC and PAWC to TOSC for services. The LCHC, PADC and PAWC will provide to TOSC at time of scheduling each patient's status as it pertains to the federal poverty level sliding scale table used to assess charity care and financial assistance. TOSC will not require additional documentation from LCHC, PADC and PAWC referred patients to qualify for financial assistance or charity care.



Exhibit 3

DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

VIA EMAIL ONLY

April 20, 2018

Christine Washick, Administrator
Triangle Orthopedics Surgery Center
3100 Tower Blvd, Suite 1300
Durham NC 27707

Development Complete

Project ID #: J-8616-10
Facility: Triangle Orthopaedics Surgery Center
Project Description: Develop a new orthopedic ambulatory surgery center with two surgical ORs pursuant to the need determination for a single-specialty ASC demonstration project in the Wake, Durham, Orange County service area
County: Wake
FID #: 101146

Dear Ms. Washick:

On June 1, 2011, this Agency issued a Certificate of Need pursuant to Chapter 131E, Article 9 of the North Carolina General Statutes for the above-captioned project. The Agency has hereby determined that the development of the above referenced project is now complete. The project was completed on April 16, 2018.

Please note that this determination does not absolve the holder of the certificate from materially complying with representations in the application concerning the operation of the facility. Nor does the determination of completeness absolve the holder of the certificate from complying with any applicable conditions still remaining on the certificate. If you have any questions concerning this certificate of need, please feel free to contact this office.

Sincerely,

Michael J. McKillip

Project Analyst, Certificate of Need

cc: Amy Craddock, Healthcare Planning, DHSR

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

STATE OF NORTH CAROLINA

Department of Health and Human Services
Division of Health Service Regulation

CERTIFICATE OF NEED

for

Project Identification Number #J-8616-10

ELD #101146

ISSUED TO: Triangle Orthopaedic Associates, P/A
120 William Penn Plaza
Durham, NC 27704

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(b). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

SCOPE: Triangle Orthopaedics Surgery Center, LLC shall develop a single specialty (orthopaedic) ambulatory surgical facility with no more than two operating rooms and no procedure rooms pursuant to the demonstration project need determination in the 2010 State Medical Facilities Plan for the Triangle Area/Wake County

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: Triangle Orthopaedics Surgery Center
7921 ACC Boulevard
Raleigh, NC 27617

MAXIMUM CAPITAL EXPENDITURE: \$ 2,400,207

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: November 1, 2011

This certificate is effective as of the 1st day of June, 2011.


Chief, Certificate of Need Section
Division of Health Service Regulation

CONDITIONS:

1. Triangle Orthopaedics Surgery Center, LLC shall materially comply with all representations made in its application.
2. Triangle Orthopaedics Surgery Center, LLC shall develop a single specialty (orthopaedic) ambulatory surgical facility and shall be licensed for no more than two operating rooms.
3. Triangle Orthopaedics Surgery Center, LLC shall obtain a license no later than two years from the date of issuance of the certificate of need, unless this requirement is changed in a subsequent State Medical Facilities Plan.
4. Triangle Orthopaedics Surgery Center, LLC shall ensure that the percentage of the facility's total collected revenue that is attributed to self-pay and Medicaid revenue shall be at least seven percent, which shall be calculated as follows:
The Medicare allowable amount for self-pay and Medicaid surgical cases minus all revenue collected from self-pay and Medicaid cases divided by the total collected revenues for all surgical cases performed in the facility.
5. Triangle Orthopaedics Surgery Center, LLC shall construct no more than two rooms in the facility that meet licensure requirements for an operating room under the ambulatory surgical facility rules.
6. Triangle Orthopaedics Surgery Center, LLC shall meet all criteria to receive accreditation of the ambulatory surgical facility from The Joint Commission, AAAHC or a comparable accreditation authority within two years following completion of the facility.
7. Triangle Orthopaedics Surgery Center, LLC shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.
8. Triangle Orthopaedics Surgery Center, LLC shall prepare an annual report at the end of each of the first five full operating years, to be submitted to the Medical Facilities Planning Section and the Certificate of Need Section, that shall include:
 - Utilization and payment data;
 - Patient outcome results for each of the applicant's patient outcome measures;
 - The extent to which the physicians owning the facility maintained their hospital staff privileges and provided Emergency Department coverage, e.g. number of nights each physician is on call at a hospital;
 - The extent to which the facility is operating in compliance with the representations the applicant made in its certificate of need application relative to the single specialty ambulatory surgical facility demonstration project in the 2010 SMFP.
9. Triangle Orthopaedics Surgery Center, LLC shall acknowledge acceptance of and agree to comply with all conditions states herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Certificate of Need Section on May 13, 2011.

TIMETABLE:

Approval of Site by Construction, DHSR	August 15, 2011
Site Preparation	September 7, 2011
25% Completion of Construction	January 15, 2012
50% Completion of Construction	April 15, 2012
75% Completion of Construction	June 1, 2012
Licensure of Facility	October 1, 2012