

NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

February 14, 2020

Chad Eichel, Director of Operations
Pinehurst Medical Clinic, Inc.
205 Page Road
Pinehurst NC 28374

Exempt from Review

Record #: 3218
Facility Name: Mid-Carolina Endoscopy Center
FID #: 070157
Business Name: Pinehurst Medical Clinic, Inc.
Business #: 1423
Project Description: Construct a replacement facility for an ambulatory surgical facility with two gastrointestinal (GI) endoscopy rooms on the same site with no change in the number of GI endoscopy rooms
County: Lee

Dear Mr. Eichel:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your correspondence of February 13 and 14, 2020, 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.

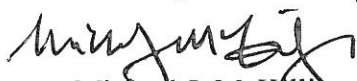
NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

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

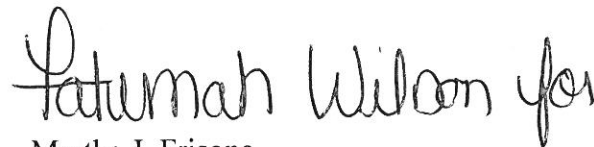
AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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

Sincerely,



Michael J. McKillip
Project Analyst

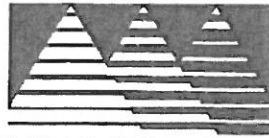


Martha J. Frisone
Chief

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

A MULTI-SPECIALTY PRACTICE
Joseph S. Hiatt, Jr., MD
Founder 1952

PRESIDENT
Wayne B. Lucas, MD



PINEHURST MEDICAL CLINIC
INCORPORATED



February 13, 2020

Ms. Martha J. Frisone
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

RE: Request for Exemption from Review to Replace Existing Endoscopy Facility at a Contiguous Location Pursuant to N.C. Gen. Stat. § 131E-184(g)
Facility Name: Mid-Carolina Endoscopy Center
Facility ID: 070157
License Number: AS0094
County: Lee

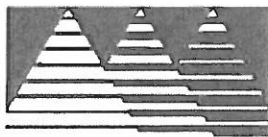
Dear Ms. Frisone:

Please accept this letter as notification of Pinehurst Medical Clinic's intent to replace Mid-Carolina Endoscopy Center, an existing Endoscopy facility licensed for two (2) procedure rooms. Pinehurst Medical Clinic intends to construct a single-story replacement endoscopy center on adjacent, contiguous property approximately 30 yards from the existing facility. The proposed site plan, attached as Exhibit 1, shows the location of the proposed replacement facility as well as the existing facility (noted as "Existing Facility". A survey is also attached as Exhibit 2 indicating the current area and proposed building. As indicated on the site plan, the proposed site plan is adjacent and contiguous to the existing facility and property. The total capital cost of the proposed project is \$4,275,000.

The total capital budget is inclusive of Site Development, Building Construction, Landscaping, and Architect and Engineering fees, and Civil Engineering fees.

Under N.C. Gen. Stat. § 131E-184(g), the CON law provides that an applicant's proposal to replace an existing health service facility on the same site that exceeds the \$2,000,000 threshold set forth in N.C. Gen. Stat. § 131E-184(g), 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.



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Genuine Compassion

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Wayne B. Lucas, MD

(2) The capital expenditure 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. G.S. 131E-184 Page 3

(3) The licensed health service facility proposing to incur the capital expenditure shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection

The above referenced facility project meets each of the applicable conditions set forth above. The estimated capital cost of the project exceeds \$2,000,000. The sole purpose of the project is to replace an existing health service facility at the same location (110 Dennis Dr. Sanford, NC) at our main (and only) endoscopy campus in Sanford, NC.

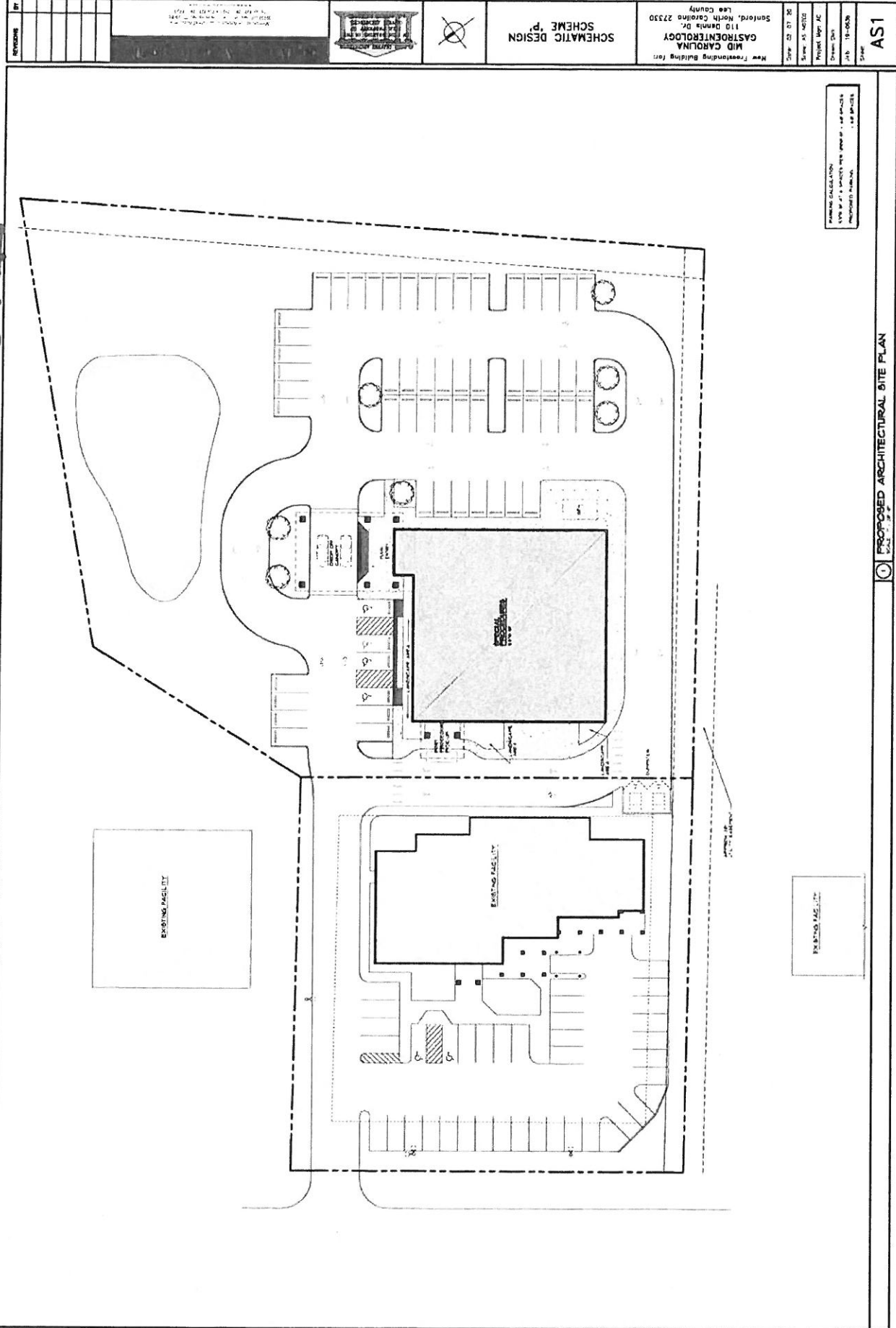
The proposed replacement will not result in a change in total licensed room capacity or the addition of a health service facility or any other new institutional health service.

Based upon the above facts, the proposed project is exempt from Certificate of Need review. We are requesting that you confirm in writing that the proposed replacement project outlined herein is exempt from Certificate of Need review and that Mid-Carolina Endoscopy Center may proceed as planned with this project.

Sincerely,

Chad Eichel
Director of Operations
Pinehurst Medical Clinic, Inc.

Exhibit 1



PLANNING CALCULATION
1/1/18
1/1/18
1/1/18

PROPOSED ARCHITECTURAL SITE PLAN

AS1

New Free-standing Building for
MID CAROLINA
GASTROENTEROLOGY
110 Dennis Dr.
Sanford, North Carolina 27330
Lee County

SCHEMATIC DESIGN
SCHEME 'P'



James H. Hester
Professional Engineer
License No. 35082
State of North Carolina

REV	DESCRIPTION	DATE

Exhibit 2

PLAT 2019 SL 29

NOTE: THESE DIMENSIONS ARE ONLY AS SHOWN TO THE BEST OF THE SURVEYOR'S KNOWLEDGE AND BELIEF. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND THAT THE DIMENSIONS SHOWN ON THIS PLAT ARE CORRECT. THE SURVEYOR HAS ALSO CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND THAT THE DIMENSIONS SHOWN ON THIS PLAT ARE CORRECT.

1. THE FOLLOWING IS A SUMMARY OF THE INFORMATION OF LAND WITHIN THE PLAT:

- THE PLAT IS A SUMMARY OF A SURVEY THAT IS LOCATED IN THE PUBLIC RECORDS OF THE COUNTY OF LEE, NORTH CAROLINA.
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- THE PLAT IS A SUMMARY OF A SURVEY THAT IS LOCATED IN THE PUBLIC RECORDS OF THE COUNTY OF LEE, NORTH CAROLINA.

DATE: 3/21/2019

SEAL: [Seal of Surveyor]

NAME: [Name of Surveyor]



LINE	AREA	CUMULATIVE AREA	PERCENT	ACRES	PERCENT
1	11.48	11.48	41.41	27.31	100.00
2	11.48	22.96	82.82	54.62	198.71
3	11.48	34.44	124.23	86.10	312.42
4	11.48	45.92	165.64	117.55	428.97

NOTES:

- ALL AREAS ARE BY COMPUTER.
- ALL DIMENSIONS ARE BY COMPUTER.
- ALL DIMENSIONS ARE BY COMPUTER.
- ALL DIMENSIONS ARE BY COMPUTER.

LEGEND:

- CL: CLAYSTONE
- CP: CONCRETE
- CE: CEMENT
- CO: COAL
- CU: CEMENT
- CA: CEMENT
- CC: CEMENT
- CD: CEMENT
- CE: CEMENT
- CF: CEMENT
- CG: CEMENT
- CH: CEMENT
- CI: CEMENT
- CJ: CEMENT
- CK: CEMENT
- CL: CEMENT
- CM: CEMENT
- CN: CEMENT
- CO: CEMENT
- CP: CEMENT
- CQ: CEMENT
- CR: CEMENT
- CS: CEMENT
- CT: CEMENT
- CU: CEMENT
- CV: CEMENT
- CW: CEMENT
- CX: CEMENT
- CY: CEMENT
- CZ: CEMENT

STATE OF NORTH CAROLINA
 COUNTY OF LEE
 3/21/2019
 [Signature]

GRAPHIC SCALE: 1" = 100'

0 100 200 300

PLAT 2019 SL 29
 A-NORTH CAROLINA LIMITED LIABILITY CO. 2019 SL 29
 PO BOX 1389
 PINEBLUFF, NC 28374
 CITY OF SANFORD, WEST SANFORD TOWNSHIP
 LEE COUNTY, NC
 PIN: 9642-3302
 PORTION OF 9642-3302

Mckillip, Mike

From: Chad Eichel <CEichel@pinehurstmedical.com>
Sent: Friday, February 14, 2020 9:16 AM
To: Mckillip, Mike
Cc: Wilson, Fatimah
Subject: RE: [External] CON Exemption Form

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Hi Mike,

Please see my responses below:

- a. Administrative and financial control is exercised at the licensed health service facility (the location referenced). A member of administration is on site with administrative and financial authority over the entire facility. Operational and financial policies are executed at this site with the administrator having discretion and exercises administrative control over the building and grounds adjacent to the building.
- b. There are no other structures other than the existing facility and the proposed building. The new building structure will be on land that is both contiguous and within 250 yards of the current building.

Please let me know if you need anything further.

Kind regards,

Chad

From: Mckillip, Mike <mike.mckillip@dhhs.nc.gov>
Sent: Thursday, February 13, 2020 3:54 PM
To: Chad Eichel <CEichel@pinehurstmedical.com>
Cc: Wilson, Fatimah <fatimah.wilson@dhhs.nc.gov>
Subject: RE: [External] CON Exemption Form

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi Chad,

Can you provide documentation that this is the site of the main building from which financial and administrative control are exercised, as required below?

- (14n) Main campus. – All of the following for the purposes of G.S. 131E-184(f) and (g) only:
- 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.

Mike

Michael McKillip

Project Analyst

Division of Health Service Regulation, Healthcare Planning and Certificate of Need

NC Department of Health and Human Services

Office: 919-855-3877

mike.mckillip@dhhs.nc.gov

809 Ruggles Drive, Edgerton

2704 Mail Service Center

Raleigh, NC 27699

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From: Chad Eichel <CEichel@pinehurstmedical.com>

Sent: Thursday, February 13, 2020 2:37 PM

To: Mckillip, Mike <mike.mckillip@dhhs.nc.gov>

Subject: [External] CON Exemption Form

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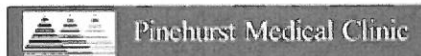
Hi Mike,

Please find attached the CON Exemption request form and two (2) exhibits. Please let me know if you have any questions, or need anything further.

Kind Regards,

Chad Eichel

Director of Operations



Pinehurst Medical Clinic, Inc.

205 Page Rd.

Pinehurst, NC 28374

Phone: (910) 215-5050

Fax: (910) 235-3444

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