



North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Drexdal Pratt
Division Director

RESPONSE REQUIRED

December 28, 2015

Laura Easton
321 Mulberry Street, SW
Lenior, NC 28745

Conditional Approval

Project ID #: E-11054-15
Facility: Caldwell Surgery Center
Project Description: Develop a new ambulatory surgical facility by relocating the 3 existing operating rooms at the Hancock Surgery Center in Lenior to Granite Falls where the new ASF would have 3 ORs and 1 procedure room
County: Caldwell
FID #: 140087

Dear Ms. Easton:

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, G.S. 131E-175 et. seq. and regulations promulgated there under, the State Medical Facilities Plan, and other applicable information. Written notice of all findings and conclusions upon which the decision was based will be provided to the applicants within five business days after the date of the decision in accordance with G.S. 131E-186. 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 that can be satisfied before issuance of the certificate of need have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. Caldwell Memorial Hospital, Inc. and SCSV, LLC shall materially comply with all representations made in the certificate of need application.
2. Caldwell Memorial Hospital, Inc. and SCSV, LLC shall develop an ambulatory surgical facility which shall be licensed for no more than three dedicated outpatient operating rooms



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone 919-855-3873 • Fax 919-715-4413

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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and one procedure room by relocating the three dedicated operating rooms located at the Hancock Surgery Center.

3. Caldwell Memorial Hospital, Inc. and SCSV, LLC shall not perform gastrointestinal endoscopy procedures in the procedure room.
4. Upon completion of the project, Caldwell Memorial Hospital, Inc. shall take the steps necessary to delicense the three dedicated outpatient operating rooms located at the Hancock Surgery Center and shall be licensed for a total of no more than five operating rooms (three shared operating rooms, one dedicated outpatient operating room and one dedicated C-section operating room).
5. Procedures performed in the procedure room shall not be reported on the facility's license renewal application as procedures performed in an operating room.
6. The ambulatory surgical facility shall meet all criteria to receive accreditation of the ambulatory surgical facility from The Joint Commission, The Accreditation Association for Ambulatory Health Care or a comparable accreditation authority within two years following completion of the facility.
7. Caldwell Memorial Hospital, Inc. and SCSV, 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 and that would otherwise require a certificate of need.
8. Caldwell Memorial Hospital, Inc. and SCSV, LLC shall develop a transportation fund to assist low income patients and family members to access both the proposed Caldwell Surgery Center and Caldwell Memorial Hospital.
9. Caldwell Memorial Hospital, Inc. and SCSV, LLC shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Healthcare Planning and Certificate of Need Section 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 CON Section 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 \$3,650,000. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by G.S. 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 G.S. 150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings, P.O. Drawer 27447, Raleigh, North Carolina 27611-7447 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).]

G.S. 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:

Emery Milliken
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 MSC
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 January 27, 2016. 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:

Contract Award _____	August 1, 2016
25% Completion of Construction _____	October 15, 2016
50% Completion of Construction _____	January 15, 2017
75% Completion of Construction _____	June 1, 2017
Completion of Construction _____	November 15, 2017
Licensure of Facility _____	December 15, 2017
Occupancy/Offering of Service(s) _____	January 1, 2018
Certification of Facility _____	January 10, 2018

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 us if any clarification of this decision is required.

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

Sincerely,

Gregory F. Yakaboski
Project Analyst

Martha J. Frisone
Assistant Chief, Certificate of Need

cc: Acute & Home Care Licensure & Certification Section, DHSR
Kelli Fisk, Program Assistant, Healthcare Planning

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:

Laura Easton
321 Mulberry Street, SW
Lenior, NC 28745

Project ID #: E-11054-15
FID #: 140087

This the 28th day of December, 2015.

Gregory F. Yakaboski
Project Analyst, Certificate of Need