



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Mark Payne, Director
Health Service Regulation

RESPONSE REQUIRED

September 27, 2016

Kristy Hubard
2131 S. 17th Street
Wilmington, NC 28402

Conditional Approval

Project ID #: O-11190-16
Facility: Endoscopy Center NHRMC Physicians Group
Project Description: Relocate one GI endoscopy room from New Hanover Regional Medical Center to Endoscopy Center NHRMC Physician Group and relocate existing facility to a new location where it will be licensed for three GI endoscopy rooms and the hospital will be licensed for only four GI endoscopy rooms
County: New Hanover
FID #: 160284

Dear Ms. Hubard:

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. 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 G.S. 131E-187(a). The conditions are as follows:

1. New Hanover Regional Medical Center and Carolina Healthcare Associates, Inc. shall materially comply with all representations made in the certificate of need application and in the supplemental information received September 16, 2016. In those instances where representations conflict, New Hanover Regional Medical Center and Carolina Healthcare Associates, Inc. shall materially comply with the last made representation.



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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2. New Hanover Regional Medical Center and Carolina Healthcare Associates, Inc. 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.
3. New Hanover Regional Medical Center and Carolina Healthcare Associates, Inc. shall relocate no more than one additional gastrointestinal endoscopy procedure room from New Hanover Regional Medical Center and shall be licensed for a total of no more than three gastrointestinal endoscopy procedure rooms at Endoscopy Center NHRMC Physician Group following project completion.
4. New Hanover Regional Medical Center and Carolina Healthcare Associates, Inc. shall take the necessary steps to delicense one gastrointestinal endoscopy procedure room at New Hanover Regional Medical Center, for a total of no more than four gastrointestinal endoscopy procedure room upon project completion.
5. New Hanover Regional Medical Center and Carolina Healthcare Associates, Inc. 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 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 \$3,500,000. 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, 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).]

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:

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 October 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:

Final Drawings and Specifications to Construction Section, DHSR	_____	May 15, 2017
Contract Award	_____	September 1, 2017
25% Completion of Construction	_____	March 1, 2018
50% Completion of Construction	_____	September 1, 2018
75% Completion of Construction	_____	March 1, 2019
Completion of Construction	_____	September 1, 2019
Occupancy/Offering of Services	_____	October 1, 2019

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,

Julie Halatek
Project Analyst

Fatimah Wilson
Team Leader, Certificate of Need

Attachment

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

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:

Kristy Hubbard
2131 S. 17th Street
Wilmington, NC 28401

Project ID #: O-11190-16
FID #: 160284

This the 27th day of September, 2016.

Julie Halatek
Project Analyst, Certificate of Need