

NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

RESPONSE REQUIRED

August 30, 2019

John Green
557 Brookdale Drive
Statesville, NC 28677

Conditional Approval

Project ID #: F-11727-19
Facility: Iredell Mooresville Campus (ASC)
Project Description: Develop a freestanding multispecialty ambulatory surgical facility by relocating no more than one operating room from Iredell Memorial Hospital and developing one new procedure room
County: Iredell
FID #: 190282

Approved Capital Expenditure: \$11,793,969
Conditions of Approval: See Attachment A
Approved Timetable: See Attachment B
Last Date to Appeal: September 30, 2019
Required State Agency Findings: Enclosed

Dear Mr. Green:

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 review of the application or applications if the review was competitive, consideration of the Certificate of Need Law and regulations promulgated thereunder, the State Medical Facilities Plan, written comments if any, responses to comments if any, and other publicly applicable information.

The conditional approval is valid only for the approved capital expenditure shown above. If the capital cost will exceed the approved capital expenditure amount by more than 115%, the applicant must first obtain a new certificate of need.

Response to the conditions in Attachment A 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 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 approved timetable for this project is found in Attachment B.

Note: The applicant shall not begin developing this project until after the certificate of need has been issued and the certificate of need will not be issued until the applicant has documented that all

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: 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

conditions that must be met prior to issuance of the certificate of need have been met. Furthermore, if the project requires that plans be submitted to the Construction Section, those plans will not be reviewed or approved until after the certificate of need has been issued.

The Certificate of Need law provides that any affected person has thirty (30) days after the date of the decision to file a petition for a contested case on this approval. Further, if you are aggrieved by any of the conditions you may file a petition for a contested case hearing in accordance with N.C. Gen. Stat. §150B, Article 3. 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. Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to the OAH Clerk's Office (919-431-3000).

N.C. Gen. Stat. §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

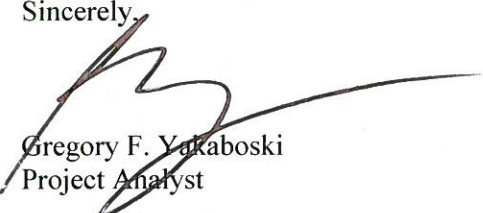
It is requested that a copy of the petition also be served on the Agency.


The certificate of need will not be issued before the completion of thirty day appeal period which ends on the date shown above. If a contested case petition is filed with OAH within the thirty day appeal period, the certificate will not be issued until the appeal is resolved.

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,


Gregory F. Yarkaboski
Project Analyst


Fatimah Wilson
Team Leader

Enclosures:

Attachment A: Conditions of Approval
Attachment B: Approved Timetable
Required State Agency Findings

cc: Acute & Home Care Licensure & Certification Section, DHSR
Construction Section, DHSR

Attachment A
Conditions of Approval

1. Iredell Memorial Hospital, Incorporated and Iredell Physicians Network, LLC shall materially comply with all representations made in the certificate of need application.
2. Iredell Memorial Hospital, Incorporated and Iredell Physicians Network, LLC shall develop a freestanding multispecialty ambulatory surgical facility by relocating no more than one operating room from Iredell Memorial Hospital and developing one procedure room.
3. Upon project completion, Iredell Mooresville Campus ASC shall be licensed for no more than one operating room and one procedure room.
4. Iredell Memorial Hospital, Incorporated and Iredell Physicians Network, LLC shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.
5. Iredell Mooresville Campus ASC shall receive accreditation from the Joint Commission for the Accreditation of Healthcare Organizations, the Accreditation Association for Ambulatory Health Care or a comparable accreditation authority within two years following licensure of the facility.
6. For the first three years of operation following completion of the project, Iredell Memorial Hospital, Incorporated and Iredell Physicians Network, LLC shall not increase charges more than 5% of the charges projected in Section Q of the application without first obtaining a determination from the Healthcare Planning and Certificate of Need Section that the proposed increase is in material compliance with the representations in the certificate of need application.
7. The procedure rooms shall not be used for procedures that should be performed only in an operating room based on current standards of practice.
8. Procedures performed in the procedure rooms shall not be reported for billing purposes as having been performed in an operating room and shall not be reported on the facility's license renewal application as procedures performed in an operating room.
9. Iredell Memorial Hospital, Incorporated and Iredell Physicians Network, LLC shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.
10. No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, Iredell Memorial Hospital, Incorporated and Iredell Physicians Network, LLC shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:
 - a. Payor mix for the services authorized in this certificate of need.
 - b. Utilization of the services authorized in this certificate of need.
 - c. Revenues and operating costs for the services authorized in this certificate of need.

- d. Average gross revenue per unit of service.
- e. Average net revenue per unit of service.
- f. Average operating cost per unit of service.

11. Iredell Memorial Hospital, Incorporated and Iredell Physicians Network, LLC shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.

Attachment B
Approved Timetable

1. Construction / Renovation Contract(s) Executed _____ July 29, 2020
2. 25% of Construction / Renovation Completed _____
(25% of the cost is in place) _____ October 28, 2020
3. 50% of Construction / Renovation Completed _____ January 27, 2021
4. 75% of Construction / Renovation Completed _____ April 28, 2021
5. Construction / Renovation Completed _____ July 28, 2021
6. Building / Space Occupied _____ August 28, 2021
7. Licensure Obtained _____ September 7, 2021
8. Services Offered (required) _____ October 1, 2021
9. Medicare and / or Medicaid Certification Obtained _____ January 1, 2022
10. Facility or Service Accredited _____ October 1, 2022
11. First Annual Report Due _____ December 30, 2022

