

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

RESPONSE REQUIRED

October 27, 2023

Gregory Corbett 191 Biltmore Avenue Asheville, NC 28801

Conditional Approval

Project ID #: B-12388-23

Facility: Digestive Health Partners

Project Description: Relocate the facility and develop three new GI endoscopy rooms for a total of no

more than eight GI endoscopy rooms upon project completion

County: Buncombe FID #: 943487

Approved Capital Expenditure: \$8,894,150
Conditions of Approval: See Attachment A
Approved Timetable: See Attachment B
Last Date to Appeal: November 27, 2023

Required State Agency Findings: Will be mailed within five business days after the date of this letter

Dear Mr. Corbett:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has conditionally approved the above referenced certificate of need application. 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 attached to an email addressed to the Project Analyst and the Co-signer no later than 35 days from the date of the decision. The certificate of need will not be issued if the response to the conditions in Attachment A has not been received by the Agency.

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.

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 conditions that must be met prior to issuance of the certificate of need have been met.

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 G.S.150B, Article 3. This petition must be filed with the Office of Administrative Hearings, 6714 Mail Service

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

Gregory Corbett October 27, 2023 Page 2

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).

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:

Julie Cronin
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,

Ena Lightbourne Project Analyst

Ena.lightbourne@dhhs.nc.gov

Micheala Mitchell

Micheala Mitchell

Chief

Micheala.mitchell@dhhs.nc.gov

Enclosures:

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

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

Attachment A Conditions of Approval

- 1. Endoscopy Center of North Carolina, LLC and Entero-Med, LLC (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.
- 2. The certificate holder shall develop a GI endoscopy ambulatory surgical facility (ASF) by relocating an existing ASF with five GI endoscopy rooms to a newly upfitted building on Sweeten Creek Road in Asheville, and adding three GI endoscopy rooms, for a total of no more than eight GI endoscopy rooms upon project completion.
- 3. Upon completion of the project, Digestive Health Partners on Sweeten Creek Road shall be licensed for no more than eight GI endoscopy rooms.
- 4. Progress Reports:
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: https://info.ncdhhs.gov/dhsr/coneed/progressreport.html.
 - b. The certificate holder shall complete all sections of the Progress Report form.
 - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.
 - d. The first progress report shall be due on March 1, 2024.
- 5. The certificate holder 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.
- 6. For the first three years of operation following completion of the project, the certificate holder 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 certificate holder shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy

Gregory Corbett October 27, 2023 Page 4

- efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.
- 8. The certificate holder 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

Milestone		Date
		mm/dd/yyyy
1	Drawings Completed	09/01/2023
2	Land Acquired	06/15/2023
3	Construction / Renovation Contract(s) Executed	11/15/2023
4	25% of Construction / Renovation Completed (25% of the cost is in place)	01/01/2024
5	50% of Construction / Renovation Completed	04/01/2024
6	75% of Construction / Renovation Completed	08/01/2024
7	Construction / Renovation Completed	10/01/2024
8	Equipment Ordered	12/01/2023
9	Equipment Installed	08/15/2023
10	Equipment Operational	09/15/2024
11	Building / Space Occupied	09/15/2024
12	Licensure Obtained	08/15/2024
13	Services Offered	10/01/2024
14	Medicare and / or Medicaid Certification Obtained	04/01/2024