



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

April 7, 2017

Lynn Pitman
Medical Center Blvd.
Winston-Salem, NC 27157

No Review

Record #: 2220
Facility Name: Clemmons Medical Park Ambulatory Surgery Center
FID #: 101058
Business Name: Wake Forest Ambulatory Ventures, LLC
Business #: 1977
Project Description: Change in indirect ownership of Wake Forest Ambulatory Ventures, LLC during development of Project ID #G-8608-10 from 100% Wake Forest University Health Sciences (WFUHS) to 80% WFUHS and 20% SCA - Wake Forest LLC (SCA)
County: Forsyth

Dear Ms. Pitman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your emailed letter on April 6, 2017, regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

However, you need to contact the Agency's Acute and Home Care Licensure and Certification Section 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 in your correspondence. 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 this office. Changes in a project include, but are not limited

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



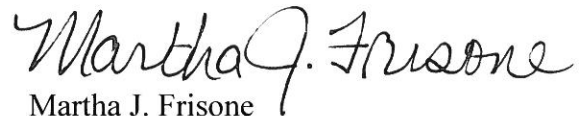
to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Celia C. Inman
Project Analyst



Martha J. Frisone
Assistant Chief, Certificate of Need

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



Strategic and Business Planning

Medical Center Boulevard
Winston-Salem, NC 27157
p 336.716.5092
f 336.716.2879
lpitman@wakehealth.edu
www.WakeHealth.edu

Ms. Celia Inman
Project Analyst
NC Division on Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, NC 27603



Lynn S. Pitman
Associate Vice President
Medical Center Strategic and Business Planning
Wake Forest Baptist Medical Center
Medical Center Blvd
Winston-Salem, NC 27157

Re: Notification of Change in Ownership, Wake Forest Ambulatory Ventures, LLC (CON Project ID# G-8608-10, FID# 101058)

Dear Ms. Inman

This letter is being written on behalf of Wake Forest University Health Sciences ("WFUHS") to provide notification to the Certificate of Need ("CON") Section of a transaction involving WFUHS, its wholly owned subsidiary Wake Forest Ambulatory Ventures, LLC ("WFAV") and SCA - Wake Forest LLC ("SCA"). WFAV holds the CON for Clemmons Medical Park Ambulatory Surgery Center ("CMPASC", FID# 101058), a multispecialty ambulatory surgery center with three operating rooms. CMPASC is currently under development (CON Project ID # G-8608-10) with scheduled offering of services being January 2018.

The transaction between WFUHS, WFAV and SCA involves a transfer of 20% membership interest of WFAV to SCA. At the close of the transaction, the membership of WFAV will include 80% ownership by WFUHS and 20% ownership by SCA. Prior to this transaction, WFUHS was the sole member of WFAV.

It is our understanding that the transaction between, WFUHS, WFAV and SCA does not require CON review, and that no other filings will be required in connection with the transaction. Per NC G.S. § 131E-178(b) "No person shall make an acquisition by donation, lease, transfer, or comparable arrangement without first obtaining a certificate of need from the Department, if the acquisition would have been a new institutional health service if it had been made by purchase". The term "new institutional health service" is defined in NC G.S. § 131E-176(16)(l) to include "the purchase, lease, or acquisition of any health service facility, or portion thereof, or a controlling interest in the health service facility or portion thereof, if the health service facility was developed under a certificate of need issued pursuant to G.S. 131E-180".

The transaction between WFUHS, WFAV and SCA involves the transfer of 20% membership interest of the parent company of the legal entity which owns and operates CMPASC. The transaction will result in a change in the indirect ownership of CMPASC, but the direct ownership will not change. Therefore, the

transaction does not result in the purchase, lease, or acquisition of CMPASC, nor will it result in the purchase, lease, or acquisition of a controlling interest of CMPASC.

Although it is our understanding that the transaction will not constitute an "acquisition" for purposes of NC CON law, it should be noted that the acquisition of an existing health service facility is, in any event, exempt from CON review pursuant to G.S. § 131E-184(a)(8), provided that prior written notice is provided to the Department. In the event that the Department determines that the transaction will constitute an acquisition of an existing health service facility, please allow this letter to serve as the notice required under G.S. § 131E-184(a) and a request for confirmation that the transaction is exempt from CON review.

We respectfully request a determination from your office regarding whether the transaction is subject to CON review under NC law or will otherwise require action with the Department. Thank you for your consideration of this request. If you have any questions, or if you require any additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Lynn S. Pitman". The signature is written in a cursive style with a large initial "L".

Lynn S. Pitman
Associate Vice President
Medical Center Strategic and Business Planning