DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

VIA EMAIL ONLY

February 12, 2018

Frank Kirschbaum

Exempt from Review – Acquisition of Facility
Record #: 2508
Facility Name: Greensboro Specialty Surgical Center
Type of Facility: ASC
FID #: 923202
Acquisition by: Greensboro Specialty Surgery Center, LLC
Business #: 2489
County: Guilford

Dear Mr. Kirschbaum:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of February 8, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Greensboro Specialty Surgery Center, LLC may proceed to acquire 100% ownership of the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Agency’s Acute and Home Care Licensure and Certification Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C. Gen. Stat. §131E-181(b): “A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need.”

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a
separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Celia C. Inman
Project Analyst

Martha J. Frisone
Chief, Healthcare Planning and Certificate of Need Section

cc: Acute and Home Care Licensure and Certification Section, DHSR
Shareetta Blackwell, Program Assistant Healthcare Planning, DHSR
February 7, 2018

Ms. Martha Frisone
Chief, Healthcare Planning and Certificate of Need
North Carolina Division of Health & Human Services
809 Ruggles Drive
Raleigh, NC 27603

Dear Ms. Frisone:

We write to you on behalf of Greensboro Specialty Surgery Center, LLC and GSC Acquisition, LLC (collectively, the “Parties”). On March 17, 2014, the Parties were issued a Certificate of Need (the “CON”) to Renovate and expand an existing ambulatory surgery center and to add one procedure room in Guilford County (Project ID# G-10209-13). A copy of the CON is attached hereto as Exhibit A. The Parties notified the Agency that the project was complete on March 2, 2017 and the Agency responded in acknowledgement on the same date. A copy of this acknowledgement is attached hereto as Exhibit B.

In anticipation of an impending sale of the building and the financing associated therewith, the Parties now desire to have GSC Acquisition, LLC removed from the CON, and to have Greensboro Specialty Surgery Center, LLC be the sole entity listed as a holder of the CON. We respectfully request that your office issue a new CON to reflect this change as soon as reasonably possible. Both Parties are in agreement that this change should be made, as evidenced by the signatures below.

Very truly yours,

Frank Kirschbaum

Consent and Agreement:

Greensboro Specialty Surgery Center, LLC

Name: Kelli Collins
Title: Board Member

GSC Acquisition, LLC

Name: Jim Nitz
Title: Member
ISSUED TO: Greensboro Specialty Surgery Center, LLC  
And GSC Acquisition, LLC  
3820 North Elm Street  
Greensboro, NC 27455

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the “certificate holder”) to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein, as documented by the periodic progress reports required by 10A NCAC 14C .0209. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

SCOPE: Renovate and expand existing ambulatory surgery center and add one procedure room / Guilford County

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: Greensboro Specialty Surgical Center  
3812 North Elm Street  
Greensboro, NC 27455

MAXIMUM CAPITAL EXPENDITURE: $4,968,761

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: August 1, 2014

This certificate is effective as of the 17th day of March, 2014

[Signature]
Interim Chief, Certificate of Need Section  
Division of Health Service Regulation
CONDITIONS:

1. Greensboro Specialty Surgery Center, LLC and GSC Acquisition, LLC shall materially comply with all representations made in its certificate of need application and the clarifying supplemental information provided. In those instances where representations conflict, Greensboro Specialty Surgery Center, LLC and GSC Acquisition, LLC shall materially comply with the last-made representation.

2. Greensboro Specialty Surgery Center, LLC and GSC Acquisition, LLC shall develop no more than one procedure room in the facility as part of this project and for one year (365 days) after the project is deemed complete by the Certificate of Need Section pursuant to G.S. 131E-181(d).

3. The procedure room shall only be used to perform procedures that are appropriate for that room based upon current standards of practice.

4. Procedures performed in the procedure room shall not be reported on the facility's license renewal application as procedures performed in an operating room.

5. Greensboro Specialty Surgery Center, LLC and GSC Acquisition, LLC shall not perform gastrointestinal endoscopy procedures in the procedure room.

6. At project completion, the facility will be licensed for no more than three operating rooms, two endoscopy rooms, and one procedure room and no additional procedure rooms may be developed as part of this project and for one year (365 days) after the project is deemed complete by the Certificate of Need Section pursuant to G.S. 131E-181(d).

7. Greensboro Specialty Surgery Center, LLC and GSC Acquisition, LLC shall meet all criteria to maintain accreditation of the ambulatory surgical facility from The Joint Commission, The Accreditation Association of Ambulatory Health Care or a comparable accreditation authority within two years following completion of the facility.

8. Greensboro Specialty Surgery Center, LLC and GSC Acquisition, 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 which would otherwise require a certificate of need.

9. Prior to issuance of the certificate of need, Greensboro Specialty Surgery Center, LLC and GSC Acquisition, LLC shall acknowledge acceptance of and agree to comply with all conditions stated herein in writing to the Certificate of Need Section.

TIMETABLE:

<table>
<thead>
<tr>
<th>Event</th>
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<tbody>
<tr>
<td>Obtaining Funds Necessary to Undertake Project</td>
<td>May 1, 2014</td>
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<td>March 12, 2015</td>
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<tr>
<td>50% Completion of Construction</td>
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<tr>
<td>Arrival of Equipment</td>
<td>July 12, 2015</td>
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<tr>
<td>75% Completion of Construction</td>
<td>July 30, 2015</td>
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<td>Completion of Construction</td>
<td>August 9, 2015</td>
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<td>Operation of Equipment</td>
<td>September 11, 2015</td>
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<tr>
<td>Occupancy/Offering of Service(s)</td>
<td>October 1, 2015</td>
</tr>
</tbody>
</table>
Sent: Thursday, March 02, 2017 9:57 AM
To: Collins, Kelli
Cc: Bennett, Paige; BRYANT, PATRICIA A
Subject: Development Complete Greensboro Specialty Surgical Center G-10209-13

VIA EMAIL ONLY
Please retain a copy of this email for your records.

Development Complete
Project ID #: G-10209-13
Facility: Greensboro Specialty Surgical Center
Project Description: Renovate and expand existing ambulatory surgery center and add one procedure room
County: Guilford
FID #: 923202

Dear Ms. Collins:

On March 17, 2014, this Agency issued a Certificate of Need pursuant to Chapter 131E, Article 9 of the North Carolina General Statutes for the above-captioned project. The Agency has hereby determined that the development of the above referenced project is now complete. It was completed on May 27, 2016, with final documentation received by the Agency on March 2, 2017.

Please note that this determination does not absolve the holder of the certificate from materially complying with representations in the application concerning the operation of the facility. Nor does the determination of completeness absolve the holder of the certificate from complying with any applicable conditions still remaining on the certificate.

If you have any questions concerning this certificate of need, please feel free to contact this office.

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

Sincerely,

Celia C. Inman

Celia C. Inman
Project Analyst, Certificate of Need

919-855-3873 office
Celia.inman@dhhs.nc.gov
809 Ruggles Drive
2704 Mail Service Center
Raleigh, NC 27699-2704
Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

cc: Paige Bennett, Assistant Chief, Healthcare Planning, DHSR
    Patricia Bryant, Administrative Assistant, Division Office, DHSR

Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized State official. Unauthorized disclosure of juvenile, health, legally privileged, or otherwise confidential information, including confidential information relating to an ongoing State procurement effort, is prohibited by law. If you have received this email in error, please notify the sender immediately and delete all records of this email.
STATE OF NORTH CAROLINA  
Department of Health and Human Services  
Division of Health Service Regulation  

REISSUED  
CERTIFICATE OF NEED  
for  
Project Identification Number #G-10209-13  

FID #923202  

 ISSUED TO: Greensboro Specialty Surgery Center, LLC  
3820 North Elm Street  
Greensboro, NC 27455  

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CONDITIONS: See Reverse Side  

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MAXIMUM CAPITAL EXPENDITURE: $4,968,761  

TIMETABLE: See Reverse Side  

FIRST PROGRESS REPORT DUE: August 1, 2014  

This certificate is effective as of the 17th day of March, 2014  
Certificate reissued February 12, 2018  

Martha J. Frisone, Chief
CONDITIONS:

1. Greensboro Specialty Surgery Center, LLC shall materially comply with all representations made in its certificate of need application and the clarifying supplemental information provided. In those instances where representations conflict, Greensboro Specialty Surgery Center, LLC shall materially comply with the last-made representation.

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