

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

June 9, 2023

John D. Wall

jwall@waldrepwall.com

No Review

Record #: 4223

Date of Request: June 2, 2023

Facility Name: Piedmont Outpatient Surgery Center, LLC

FID #: 100255

Business Name: Piedmont Outpatient Surgery Center, LLC

Business #: 1419

Project Description: Change in indirect ownership structure with no change in direct ownership, change

in operator

County: Forsyth

Dear Mr. Wall:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence regarding the project described above. Based on the CON law in effect on the date of this response to your request, the project as described is not governed by, and therefore, does not currently require a certificate of need. 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.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office.

Please do not hesitate to contact this office if you have any questions.

Sincerely,

Gregory F. Yakaboski, Project Analyst

Micheala Mitchell, Chief

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

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: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704

https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873



May 31, 2023

Via Overnight Mail and Email to Micheala. Mitchell@dhhs.nc.gov

North Carolina Division of Health Service Regulation Healthcare Planning and Certificate of Need Section 2704 Mail Service Center Raleigh, NC 27699-2704 Attn: Micheala Mitchell

Re: Certificate of Need "No Review Determination" Request – Piedmont Outpatient Surgery Center, LLC

Dear Ms. Mitchell:

I am writing on behalf of Piedmont Outpatient Surgery Center, LLC (the "Company") which owns and operates an ambulatory surgery center located at 2465 Hanestown Lane, Winston-Salem, North Carolina 27103 (the "Center"). The Center holds a certificate of need that was granted by your Division (the "CON").

It is anticipated that, effective as of July 1, 2023, SCA-Winston-Salem, LLC, a Delaware limited liability company (the "Buyer"), will acquire a 20% ownership interest in the Company from the Company's current owners (the "Proposed Transaction"). Currently, the Company is wholly owned by various physician investors. Additionally, and simultaneously with the closing of the Proposed Transaction, it is anticipated that the Company will enter into a new agreement for management services with Surgical Care Affiliates, LLC, an affiliate of the Buyer. For the avoidance of doubt, the Company will continue to own and operate the Center following the Proposed Transaction, and the Proposed Transaction will not result in a change in the name, location, services, number of operating and procedures rooms, federal tax identification number, or Medicare provider number of the Center. Please find enclosed herein as Exhibit A a pre- and post-closing ownership chart of the Company reflecting these proposed changes.

As the Proposed Transaction will only result in a change in a 20% minority ownership of the Company, the purpose of this letter is to request a "no review determination" by the Division in connection with the Proposed Transaction with respect to the CON.

Thank you for your attention to this matter. If you have any questions, or if you require any additional information, please do not hesitate to contact me at (336) 722-2900 or jwall@waldrepwall.com.

Respectfully,

WALDREP WALL BABCOCK & BAILEY PLLC

James D. Wall Attorney

Enclosures

cc: Dr. Lucas Inman

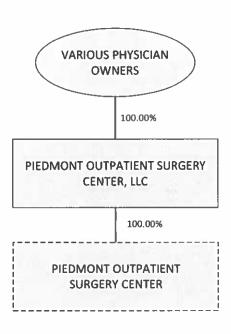
Mr. Andy Murray Ms. Catherine Grow Ms. Halle Diaz

EXHIBIT A

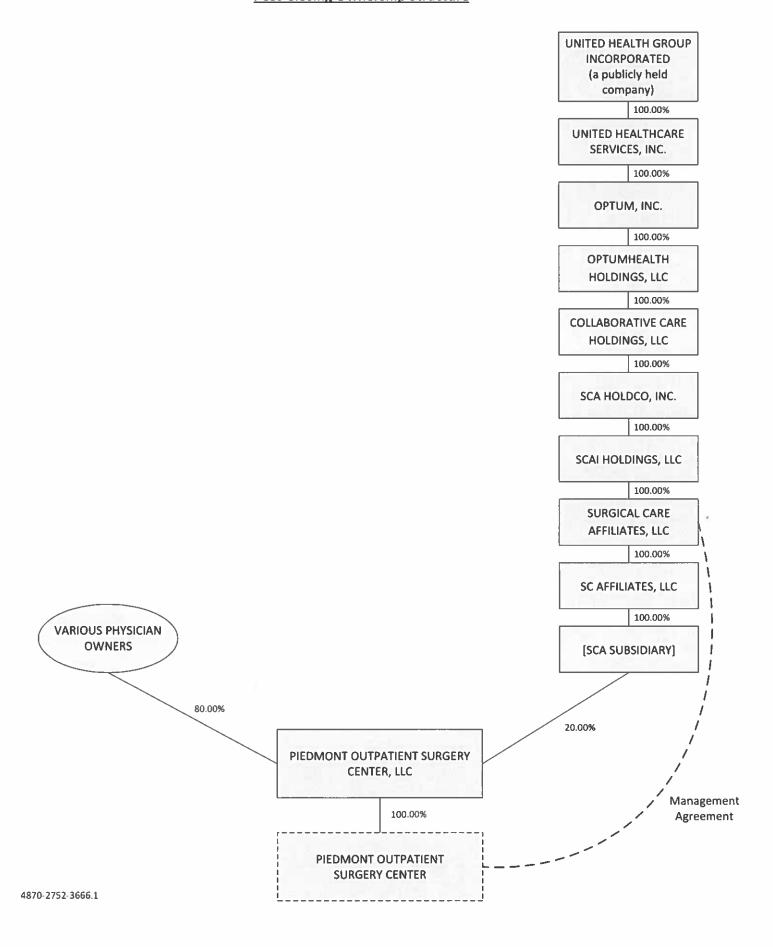
Pre- and Post-Closing Ownership Diagrams of Piedmont Outpatient Surgery Center, LLC

Please see attached.

PIEDMONT OUTPATIENT SURGERY CENTER, LLC Pre-Closing Ownership Structure



PIEDMONT OUTPATIENT SURGERY CENTER, LLC Post-Closing Ownership Structure



From: <u>Mitchell, Micheala L</u>
To: <u>Stancil, Tiffany C</u>

Subject: FW: [External] Piedmont Outpatient Surgery Center, LLC

Date: Friday, June 2, 2023 9:47:01 AM

Attachments: image002.png

Scanned from a Xerox Multifunction Printer.pdf

Hey Tiffany,

I hope you are well.

Would you mind logging the attached no review and assigning it to Greg?

Thanks.

Micheala Mitchell, JD

NC Department of Health and Human Services

Division of Health Service Regulation

Section Chief, Healthcare Planning and CON Section
809 Ruggles Drive, Edgerton Building
2704 Mail Service Center

Raleigh, NC 27699-2704

Office: 919 855 3879

Micheala.Mitchell@dhhs.nc.gov

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From: Jackie Jones <jjones@waldrepwall.com>

Sent: Wednesday, May 31, 2023 4:47 PM

To: Mitchell, Micheala L < Micheala. Mitchell@dhhs.nc.gov>

Cc: Jim Wall <jwall@waldrepwall.com>; Michael L. Drye <mdrye@waldrepwall.com>

Subject: [External] Piedmont Outpatient Surgery Center, LLC

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To Micheala Mitchell -

Attached please find correspondence regarding the above entity.

Thank you, Jackie Jones

Jackie Jones

Paralegal

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WALDREP WALL BABCOCK & BAILEY PLICE

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