



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

September 6, 2024

Ms. Madison Santana
Madison.santana@hklaw.com

No Review

Record #: 4568
Date of Request: August 30, 2024
Facility Name: Wilmington SurgCare
FID #: 923566
Business Name: Wilmington Surgery Center, L.P.
Business #: 2086
Project Description: Change in corporate ownership structure
County: New Hanover

Dear Ms. Santana:

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,

Tanya M. Saporito
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

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Holland & Knight

Nashville City Center | 511 Union Street, Suite 2700 | Nashville, TN 37219 | T 615.244.6380 | F 615.244.6804
Holland & Knight LLP | www.hklaw.com

Madison Santana
+1 615-850-8854
Madison.Santana@hklaw.com

August 30, 2024

Via E-mail (micheala.mitchell@dhhs.nc.gov)

NC Department of Health and Human Services
Division of Health Service Regulation
809 Ruggles Drive, Edgerton Building
2704 Mail Services Center
Raleigh, NC 27699-2704
Attn: Micheala Mitchell, JD, Section Chief

Re: Notice of Proposed Transaction & Exemption Request - Wilmington Surgery Center, L.P. d/b/a Wilmington SurgCare (Lic. No. AS0055)

Dear Ms. Mitchell:

We are writing on behalf of Wilmington Surgery Center, L.P. d/b/a Wilmington SurgCare, a Tennessee limited partnership (the “Licensee”), which operates the licensed ambulatory surgery center located at 1801 South 17th Street, Wilmington, NC 28401 and holds Certificate of Need (“CON”) Project ID O-11272-16 and FID No. 923566 as well as License No. AS0055, to notify you of a proposed transaction. On or about September 30, 2024, Licensee plans to undergo a transaction whereby 20% of its partnership interests will be transferred to a new owner, Novant Health, Inc., a North Carolina nonprofit corporation (or a wholly owned subsidiary thereof) (the “Transaction”). Enclosed with this letter at Exhibit A are pre- and post-closing organizational charts that illustrate the resulting change to the Licensee’s ownership information.


As a result of the Transaction, there will be no change to the Licensee’s legal name, business name, tax identification number, location, or services provided. Based on our review of the Department’s rules and regulations and written guidance received from your office, we understand that the Transaction is exempt from CON review. As such, we are submitting this letter to formally request written confirmation from the Department that the exemption from CON review applies and that no further action is required from the Licensee with respect to the CON program.

NC Department of Health and Human Services
Division of Health Service Regulation
August 30, 2024
Page 2

Should you have any questions or require additional information regarding the Transaction, this written request, or any information disclosed herein, please do not hesitate to contact me by email at madison.santana@hklaw.com or by telephone at (615) 850-8854. Please direct all written correspondence to my attention at 511 Union Street, Suite 2700, Nashville, TN 37219. Thank you in advance for your attention to this matter.

Sincerely yours,

HOLLAND & KNIGHT LLP

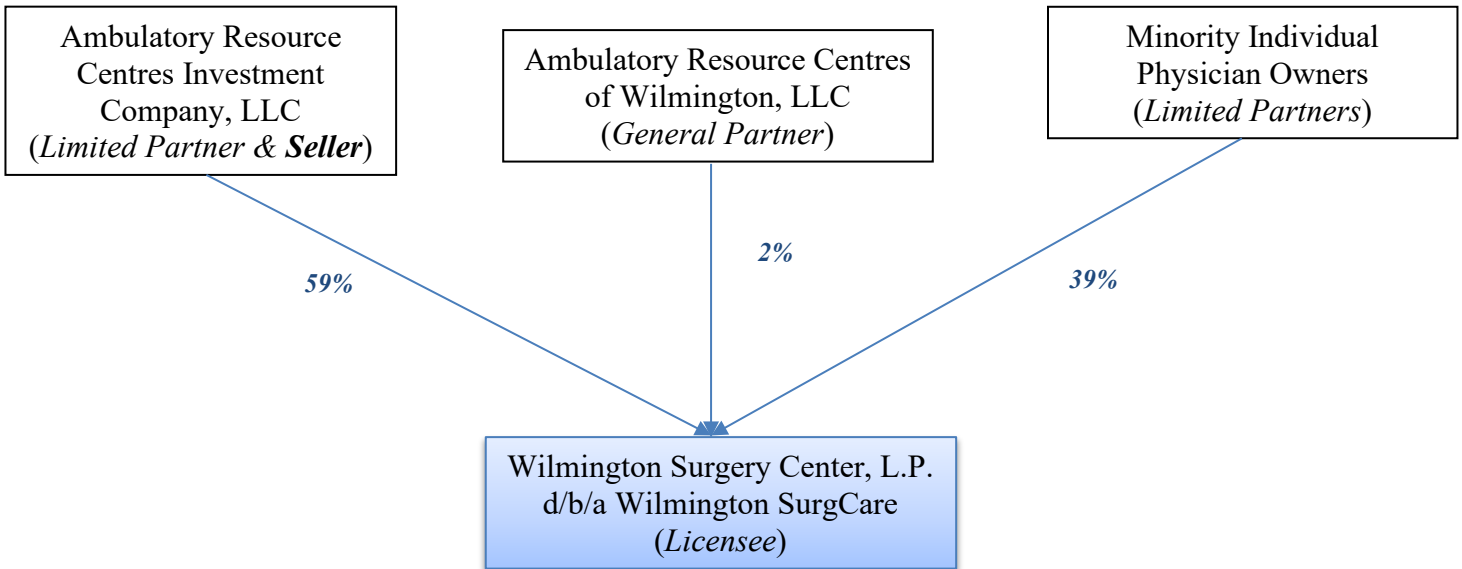
A handwritten signature in blue ink, appearing to read "M. Santana", is written in a cursive style.

Madison Santana

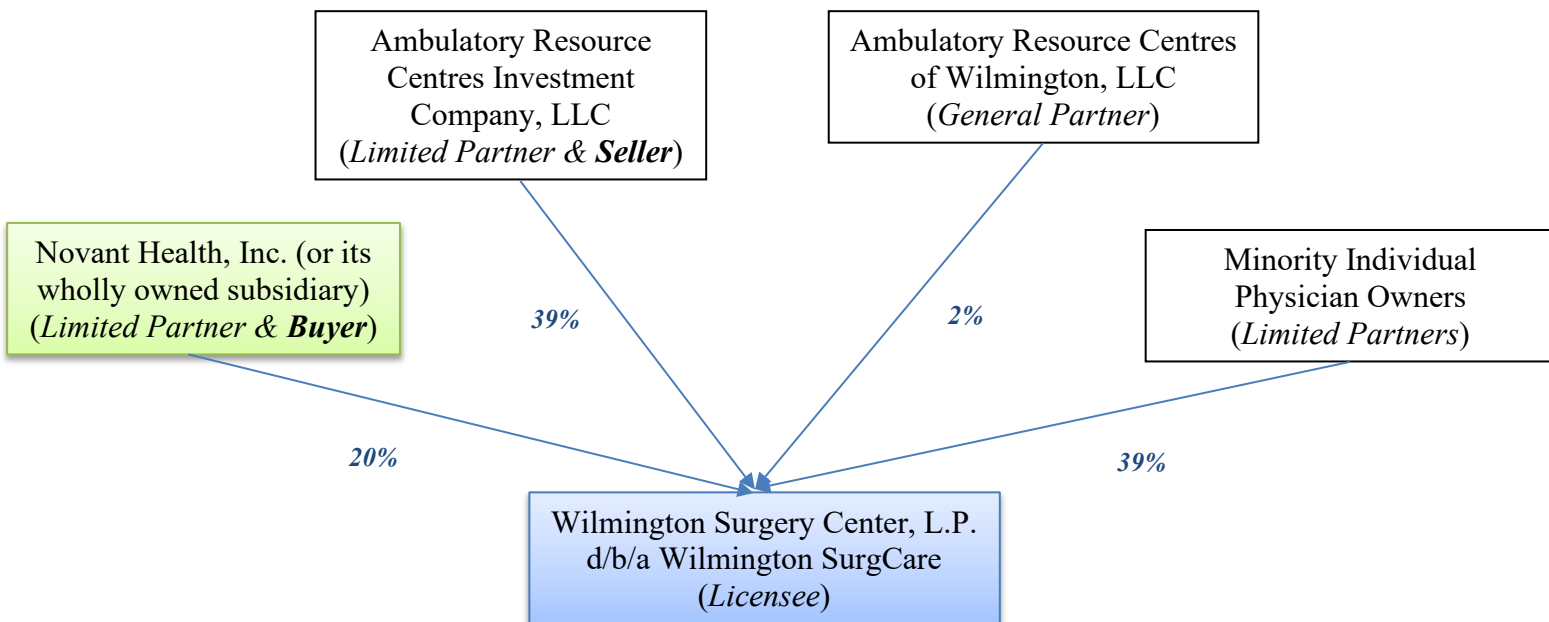
MTS

EXHIBIT A

Pre-Closing Organizational Chart



Post-Closing Organizational Chart



From: [Mckillip, Mike](#)
To: [Stancil, Tiffany C](#)
Cc: [Mitchell, Micheala L](#)
Subject: FW: [External] Inquiry re: Proposed ASC Transaction
Date: Friday, August 30, 2024 10:55:32 AM
Attachments: [Wilmington Surqcare - NC Certificate of Need Exemption Request \(8.30.24\)\(507974091.3\).PDF](#)

Happy Friday, Tiffany!

They are asking for an exemption letter, but they are proposing a change in the corporate ownership structure and not an acquisition of an existing facility, so I say it's a no review letter they need. It's New Hanover County, so please give this no review request to Tanya. Thanks.

Mike

Michael McKillip

Team Leader, Certificate of Need
Division of Health Service Regulation, Healthcare Planning and Certificate of Need
[NC Department of Health and Human Services](#)

Office: 919-855-3877 (I am in the office on Wednesday and Friday, and can best be reached by email on Monday, Tuesday and Thursday.)
mike.mckillip@dhhs.nc.gov

809 Ruggles Drive, Edgerton
2704 Mail Service Center
Raleigh, NC 27699

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From: Madison.Santana@hklaw.com <Madison.Santana@hklaw.com>
Sent: Friday, August 30, 2024 10:36 AM

To: Mckillip, Mike <mike.mckillip@dhhs.nc.gov>
Subject: FW: [External] Inquiry re: Proposed ASC Transaction

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Good morning,

I received Micheala's out of office message, which indicated CON-related messages should be directed to you. In case necessary, I am forwarding the below and attached for you review. Thanks very much!

Madison Santana | Holland & Knight

Associate
Holland & Knight LLP
511 Union Street, Suite 2700 | Nashville, Tennessee 37219
Phone 615.850.8854 | Mobile 954.857.9294
madison.santana@hklaw.com | www.hklaw.com

[Add to address book](#) | [View professional biography](#)

From: Santana, Madison (NSH - X68854)
Sent: Friday, August 30, 2024 9:32 AM
To: Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
Subject: RE: [External] Inquiry re: Proposed ASC Transaction

Good morning Micheala,

In follow up to the below, please accept the attached CON Exemption Request letter filed on behalf of Wilmington Surgery Center, L.P. d/b/a Wilmington SurgCare. Once you've had an opportunity to review, please let me know if you have any questions or require any additional information. Thank you, and I hope you have a terrific holiday weekend!

Madison Santana | Holland & Knight

Associate
Holland & Knight LLP
511 Union Street, Suite 2700 | Nashville, Tennessee 37219
Phone 615.850.8854 | Mobile 954.857.9294
madison.santana@hklaw.com | www.hklaw.com

[Add to address book](#) | [View professional biography](#)

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

Sent: Tuesday, August 20, 2024 1:08 PM

To: Santana, Madison (NSH - X68854) <Madison.Santana@hklaw.com>

Subject: RE: [External] Inquiry re: Proposed ASC Transaction

[External email]

It's a requirement. The Acute and Home are Licensure and Certification Section will not process the change of ownership (CHOW) without it.

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

From: Madison.Santana@hklaw.com <Madison.Santana@hklaw.com>

Sent: Tuesday, August 20, 2024 2:06 PM

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

Subject: RE: [External] Inquiry re: Proposed ASC Transaction

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Thank you! Is the exemption request filing a requirement in this case, or just an option if we'd like to receive written confirmation of the exemption in writing?

Madison Santana | Holland & Knight

Associate

Holland & Knight LLP

511 Union Street, Suite 2700 | Nashville, Tennessee 37219

Phone 615.850.8854 | Mobile 954.857.9294

madison.santana@hklaw.com | www.hklaw.com

[Add to address book](#) | [View professional biography](#)

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

Sent: Tuesday, August 20, 2024 1:04 PM

To: Santana, Madison (NSH - X68854) <Madison.Santana@hklaw.com>

Subject: RE: [External] Inquiry re: Proposed ASC Transaction

[External email]

Thanks for reaching out to us Madison.

You are correct that acquisitions of existing health service facilities are exempt from certificate of need review. You or your client may submit an exemption request to the Healthcare Planning and Certificate of Need Section by emailing me a letter including the particulars thirty (30) days prior to closing (or more, if possible) as it takes our office 10-15 business days to process them.

Let me know if this is responsive to your questions.

Best,

Micheala

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

From: Madison.Santana@hklaw.com <Madison.Santana@hklaw.com>

Sent: Monday, August 19, 2024 6:25 PM

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

Subject: [External] Inquiry re: Proposed ASC Transaction

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Good evening Ms. Mitchell,

I hope you are well. I am writing on behalf of a licensed ambulatory surgery center that is currently owned by a limited partnership comprised of a few different members. One of the members would like to sell 20% of its ownership interests to a new partner. There will be no changes to the ASC's legal name, tax identification number, location, services provided, or staff as a result of this transaction. It's my understanding that changes of ownership for ASCs are generally exempt from CON review, but could you please confirm whether this is the case? Even if the exemption applies, should the ASC plan to submit written notice of the transaction for your records? If so, please let us know when you would like to receive that notice (e.g., 30 days prior to the transaction).

Thank you very much for your help. Please don't hesitate to call me at either of the numbers listed below if it is easier to discuss over the phone. Best,

Madison Santana | Holland & Knight

Associate

Holland & Knight LLP

511 Union Street, Suite 2700 | Nashville, Tennessee 37219

Phone 615.850.8854 | Fax 615.244.6804

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