

JOSH STEIN • Governor

DEVDUTTA SANGVAI • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

July 8, 2025

Robert Hamill rhamill@hallrender.com

No Review

Record #: 4817

Date of Request: June 24, 2025

Facility Name: High Point Surgery Center

FID #: 923252

Business Name: Atrium Health Wake Forest Baptist

Business #: 2990

Project Description: Reorganization and change in licensee/operator of ambulatory surgical

facility

County: Guilford

Dear Mr. Hamill:

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 representation in your request and 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. As a reminder, it is unlawful to offer or develop a new institutional health service without first obtaining a certificate of need. The Department reserves the right to impose sanctions, including civil penalties and the revocation of a license, upon any entity that offers or develops a new institutional health service without first obtaining a certificate of need.

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

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

Sincerely, Yolanda W. Jackson

Yolanda W. Jackson Project Analyst

Micheala Mitchell

Micheala Mitchell Chief

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

ATTACHMENT A

Ambulatory Surgical	FID#	Existing	New
Facility		Licensee/Operator	Licensee/Operator
High Point Surgery	923252	High Point Surgery Center,	Wake Forest Ambulatory
Center		LLC	Ventures, LLC
Premier Surgery	080515	Premier Surgery Center,	Wake Forest Ambulatory
Center		LLC	Ventures, LLC
Wake Forest Baptist Health Outpatient Surgery Center - Clemmons	953413	Wake Forest Ambulatory Ventures, LLC	Wake Forest Ambulatory Ventures, LLC

Hall, Render, Killian, Heath & Lyman, LLP 4505 Emperor Boulevard, Suite 315 Durham, NC 27703

> Robert A. Hamill (919) 447-4970 rhamill@hallrender.com

June 24, 2025

VIA EMAIL

Micheala Mitchell Chief North Carolina Division of Health Service Regulation Healthcare Planning and Certificate of Need Section Micheala.mitchell@dhhs.nc.gov

Yolanda Jackson Project Analyst North Carolina Division of Health Service Regulation Healthcare Planning and Certificate of Need Section Yolanda.jackson@dhhs.nc.gov

RE: No Review Letter, Alternative Exemption Notice re High Point Surgery Center (License No. AS0047), Premier Surgery Center (License No. AS0152) and Wake Forest Baptist Health Outpatient Surgery Center (License No. AS0021)

Dear Ms. Mitchell and Ms. Jackson:

We represent Wake Forest University Baptist Medical Center d/b/a Atrium Health Wake Forest Baptist ("Atrium Health Wake Forest Baptist"). We are submitting this no review letter to seek confirmation from the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section ("Agency") that a certificate of need ("CON") is not required for Atrium Health Wake Forest Baptist to complete an internal reorganization of three of its wholly-owned ambulatory surgery centers. In connection with the internal reorganization, High Point Surgery Center, LLC ("High Point") and Premier Surgery Center, LLC ("Premier Surgery") would be merged into Wake Forest Ambulatory Ventures, LLC ("Wake Forest"), each of which owns and operates an ambulatory surgical facility as follows:

- High Point owns the six-operating room multispecialty ambulatory surgical facility located 600 N Lindsay Street, High Point, NC, 27261 known as High Point Surgery Center (License No. AS0047);
- Premier Surgery owns the two-operating room multispecialty ambulatory surgical facility located at Premier Dr., Suite 102, High Point, NC, 27265 known as Premier Surgery Center (License No. AS0152); and

 Wake Forest owns the three-operating room multispecialty ambulatory surgical facility located at 6441 Kinnamon Court, Winston Salem, NC, 27103 known as Wake Forest Baptist Health Outpatient Surgery Center (License No. AS0021).

Wake Forest, High Point, and Premier Surgery are all indirectly, wholly owned and controlled by Atrium Health Wake Forest Baptist. Atrium Health Wake Forest Baptist proposes to merge High Point and Premier Surgery into Wake Forest, whereby High Point and Premier Surgery will cease to exist and Wake Forest shall be the surviving entity. As a result, Wake Forest will become the operator of each ambulatory surgical facility; however, each facility will continue to be under the common ownership of Atrium Health Wake Forest Baptist. Each of the ambulatory surgical facilities will remain in its current location, will continue to be separately licensed, and will continue to operate as it did prior to the merger. There will be no capital expenditures incurred as a result of this change. Atrium Health Wake Forest Baptist is merely executing an internal reorganization of its entities and facilities. Atrium Health Wake Forest Baptist believes that this internal reorganization is either not reviewable because it is not a new institutional health service or, in the alternative, is exempt from review under N.C. Gen. Stat. § 131E-184(a)(8).

I. NO REVIEW

An internal reorganization that changes the operator of an ambulatory surgical facility as the result of a merger of multiple wholly owned subsidiaries into a single wholly owned entity is not included in the list of activities that constitute the development of a new institutional health service requiring a CON under N.C. Gen. Stat. § 131E-176(16). The Agency has previously determined that similar internal reorganizations are not subject to CON review. Moreover, as previously stated, there will be no relocation of the operating rooms, no change in the ultimate parent owner of the facilities, no change in licensure, nor any capital expenditures incurred to accomplish this merger.

II. EXEMPTION NOTICE

For the reasons described above, we do not believe that notice under N.C. Gen. § 131E-184(a)(8) is required. However, to the extent that the Agency disagrees and views this as an acquisition, please accept this letter as the required exemption notice under N.C. Gen. Stat. § 131E-184(a)(8).

The acquisition of an existing health service facility and the equipment owned by the health service facility at the time of the acquisition is exempt from CON review under N.C. Gen. Stat.§ 131E-184(a)(8). Under N.C. Gen. Stat. § 131E-176(9b), an ambulatory surgical facility is a "health service facility."

Assuming that the Agency deems the proposed merger to be an acquisition under the CON law, upon the merger of High Point, Premier Surgery and Wake Forest, Wake Forest will be acquiring two existing "health service facilities," including all equipment owned at the time of acquisition. After the merger, Wake Forest will keep the operating rooms in their current location and operate it as three separate ambulatory surgical facilities as it did prior to the merger.

¹ <u>See</u> *No Review*, Hugh Chatham Memorial Hospital, Inc., May 6, 2025 (FID # 923276); *No Review*, Honey's Assisted Living, April 3, 2025 (FID # 970042).

Accordingly, if the Agency views the merger as an acquisition under the CON law, the proposal is exempt under N.C. Gen. Stat. § 131E-184(a)(8) because it is the acquisition of an existing health service facility.

III. CONCLUSION

In light of the foregoing, we would appreciate the Agency's written confirmation that the proposed merger of High Point, Premier Surgery and Wake Forest does not require or trigger CON review, or alternatively, is exempt from CON review.

Please do not hesitate to contact me if you have any questions or require additional information. Thank you for your review and consideration of this matter.

Sincerely,

HALL, RENDER, KILLIAN, HEATH & LYMAN, LLP

Robert A. Hamill

Robert damill

From: <u>Jackson, Yolanda W</u>
To: <u>Stancil, Tiffany C</u>

Subject: FW: [External] No Review Request - Atrium Health Wake Forest Baptist - Internal Reorganization of ASCs

Date: Thursday, June 26, 2025 10:14:42 AM

Attachments: No Review Letter - Atrium Health Wake Forest Baptist - Internal Reorganization of ASCs (6.24.25).pdf

Hi.

Can you add this one to my folder?

Thank you,

Yolanda Jackson, JD

Project Analyst

Division of Health Service Regulation

Healthcare Planning and Certificate of Need Section

North Carolina Department of Health and Human Services

(I am in the office Mondays and Tuesdays. I am working remotely on the other days, therefore email is typically the best way to reach me.)

Main Number: 919-855-3873 yolanda.jackson@dhhs.nc.gov

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

Sent: Tuesday, June 24, 2025 3:18 PM

To: Stancil, Tiffany C <Tiffany.Stancil@dhhs.nc.gov> **Cc:** Jackson, Yolanda W <yolanda.jackson@dhhs.nc.gov>

Subject: FW: [External] No Review Request - Atrium Health Wake Forest Baptist - Internal

Reorganization of ASCs

Tiffany would you mind logging this no review? It's Yolanda's.

Thanks,

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: Hamill, Robert A. < RHamill@hallrender.com>

Sent: Tuesday, June 24, 2025 3:15 PM

To: Mitchell, Micheala L < Micheala. Mitchell@dhhs.nc.gov >; Jackson, Yolanda W

<yolanda.jackson@dhhs.nc.gov>

Cc: Jacques, Nikkia A. <<u>NJacques@hallrender.com</u>>

Subject: [External] No Review Request - Atrium Health Wake Forest Baptist - Internal Reorganization

of ASCs

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Ms. Mitchell and Ms. Jackson-

Please find attached a no review request submitted on behalf of our client, Atrium Health Wake Forest Baptist.

Please let us know if you have any questions or need additional information.

Thanks

Bobby

Robert A. Hamill

Attorney

rhamill@hallrender.com | vCard

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