



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

January 23, 2019

Robert A. Leandro
Parker Poe Adams & Bernstein LLP
301 Fayetteville Street, Suite 1400
Raleigh, NC 27601

No Review

Record #: 2847
Facility Name: Harris Regional Hospital
FID#: 923046
Business Name: DLP Cardiac Partners, LLC
Business #: 2314
Project Description: Relocate cardiac catheterization equipment from Caldwell Memorial Hospital to a mobile trailer to serve Harris Regional Hospital
County: Jackson

Dear Mr. Leandro:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence 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 that correspondence 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.

You may need to contact the Agency's Construction, and Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.

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.

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

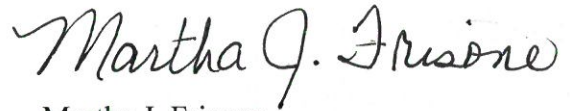
AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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

Sincerely,



Gloria C. Hale
Team Leader



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

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR



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January 17, 2019

VIA U.S. MAIL AND ELECTRONIC MAIL

Martha Frisone, Chief
Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704
Martha.Frisone@dhhs.nc.gov

Re: No Review Request for DLP Cardiac Partners, LLC to relocate Cardiac Catheterization Equipment

Dear Ms. Frisone:

On behalf of our client, DLP Cardiac Partners, LLC ("Cardiac Partners"), I am writing to request written confirmation that the CON Law does not apply to and that no CON is required for the project described in more detail below.

As you are likely aware, Cardiac Partners operates nine grandfathered cardiac catheterization ("cardiac cath") units pursuant to a settlement agreement between the Agency and Cardiac Partners' predecessor organization Medcath Inc. Currently one of those units (GE Innova 3100IQ Serial number 610960BU7) operates at Caldwell Memorial Hospital ("Caldwell"), which is located in Caldwell County, North Carolina.

In 2017, Caldwell submitted a Petition for an adjusted need determination requesting that the Agency include a need in the 2018 SMFP for one unit of cardiac cath equipment in Caldwell's service area. In its Petition, Caldwell represented to the Agency that if its Petition was granted and it had an opportunity to acquire its own cardiac cath equipment it would do so with the understanding that Cardiac Partners could utilize its grandfathered equipment in another North Carolina hospital. Caldwell's Petition was approved and the 2018 SMFP reflected a need for one unit of fixed cardiac cath equipment in Caldwell's service area.

Caldwell subsequently filed a CON application to acquire one unit of fixed cardiac cath equipment on or around January 15, 2018. Caldwell's Application represented that if approved, it would acquire new more-advanced equipment that would benefit its patients. The Application also represented that if approved, Caldwell would terminate its agreement with Cardiac Partners. If that occurred, Caldwell represented that the existing Cardiac Partners' cardiac cath equipment would be removed from the facility and Cardiac Partners would be free to relocate the grandfathered equipment to a new facility. On April 18, 2018 Caldwell's Application to acquire one unit of shared fixed cardiac cath equipment was approved by the Agency.

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Martha Frisone, Chief
Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services
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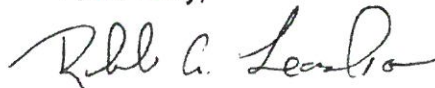
Recently, Caldwell informed Cardiac Partners that it plans to terminate its services agreement with Cardiac Partners effective March 31, 2019. As a result of the impending termination, Cardiac Partners has determined that upon termination it will relocate its existing equipment to a mobile trailer, which is already owned by Cardiac Partners, and will use its cath lab to service Harris Regional Hospital ("Harris") located at 68 Hospital Road, Sylva, Jackson County, North Carolina. The installation costs for relocating the equipment to the trailer owned by Cardiac Partners will be less than \$150,000.. Ownership of the existing equipment will not be transferred to Harris, but rather the existing equipment will be operated pursuant to a new service agreement between Cardiac Partners and Harris, which is permitted under the settlement agreement.

Installing the existing cardiac cath equipment in the trailer will not entail costs exceeding \$750,000 and will not result in the acquisition of major medical equipment, or the development of a "New Institutional Health Service" as defined by N.C. Gen. Stat. § 131E-176.

Based on the above, we respectfully request that the CON Section determine this proposal does not require a CON and that the above identified cath equipment may be relocated to Harris by Cardiac Partners under a new service agreement. Should you have any questions, please feel free to reach out to me directly.

Thank you for your consideration.

Yours Truly,

A handwritten signature in cursive script that reads "Robb A. Leandro".

Robb A. Leandro