



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

May 6, 2020

Robert Bashore
rbashore@gatewayasc.com

Exempt from Review

Record #: 3270
Facility Name: Gateway Surgery Center
FID #: 060202
Business Name: Gateway Ambulatory Surgery Center, LLC
Business #: 822
Project Description: Renovate existing space and develop two procedure rooms
County: Cabarrus

Dear Mr. Bashore:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of **April 22, 2020**, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(g). Therefore, you may proceed to offer, develop, or establish the above referenced project without a certificate of need.

However, you 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.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Agency. Changes in a project include but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Julie M. Faenza
Project Analyst

Martha J. Frisone
Chief

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Nancy Lane (nlane@pda-inc.net)

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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



April 21, 2020

Ms Martha Frisone
Chief, Healthcare Planning and Certificate of Need Section
Julie Faenza, CON Analyst
Division of Health Service Regulation/ DHSR
809 Ruggles Drive
Raleigh, NC 27603
Martha.Frisone@dhhs.nc.gov
Julie.Faenza@dhhs.nc.gov

RE: Request for Exemption from CON Review for Renovation and Expansion Gateway Surgery Center, Concord/ Cabarrus County. Facility ID 060202

Dear Ms. Frisone

Gateway Ambulatory Surgery Center, LLC plans to renovate and expand Gateway Surgery Center, an ambulatory surgery center License No. AS0070. On behalf of Gateway Ambulatory Surgery Center, LLC, I am requesting that the Agency confirm that this planned investment is exempt from review under the statutory exemption provisions in N.C. Gen. Stat. § 131E-184(g). The estimated capital cost is approximately \$5.7 million.

The planned investment involves renovating existing clinical spaces: updating the generator, a new exterior canopy on the north side of the building adjacent to the supply corridor, relocating and updating central sterile processing, relocating and expanding sterile storage, converting a connector corridor to a supply room, upgrading the post-operative recovery area to permit extended stay recovery, and adding and equipping two procedure rooms. The procedure rooms will offer services approved by the surgery center's medical staff, but will not be used for GI endoscopy procedures without a certificate of need for that purpose. The extended stay recovery beds will be used only as approved by NC DHSR Licensure and CMS Medicare Conditions of Participation for stays of less than 24 hours.

All renovations will occur on the surgery center's main campus, located at 1025 NorthEast Gateway Court, NE, Concord, North Carolina. A copy of the site included in Attachment A to this letter. shows the main campus for Gateway Surgery Center, which is also its only campus. The planned improvements are

consistent with the definition of main campus in GS 131E-176(14h)(a). The same building houses clinical services, administrative and financial control offices. Location of administrative and financial control offices are designated on the Attachment A drawing. Attachment C shows a floor plan of the areas to be renovated.

Exempt from Review

Pursuant to N.C.G.S. § 131 E-184(g), *"The Department shall exempt from certificate of need review any capital expenditure that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(16)b , if all of the following conditions are met:*

- 1) *The sole purpose of the capital expenditure is to renovate, replace on the same site, or expand the entirety or a portion of an existing health service facility that is located on the main campus.*
- 2) *The capital expenditure does not result in (i) a change in bed capacity as defined in G.S. 131 E-176(5) or (ii) the addition of a health service facility or any other new institutional health service other than that allowed in G.S. 131 E-176(16) b.*
- 3) *The licensed health service facility proposing to incur the capital expenditure shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.*

The planned improvement project meets each of the applicable conditions set forth above:

- The estimated capital cost of the project exceeds \$2,000,000. Please refer to Attachment B.
- The sole purpose of the capital expenditure is to expand the existing health service facility on the main campus located at 1025 NorthEast Gateway Court, NE, Concord, North Carolina.
- All improvements will be located in the main and only building of the surgery center. Please refer to Attachment A.
- The capital expenditure will not result in a change in bed capacity or the addition of a health service facility or any other new institutional health service other than that allowed by G.S 131E-176(16)(b).
- This letter constitutes the required prior written notice.
- Gateway Surgery Center provides clinical patient services and exercises financial and administrative control from this main campus location. The administrative and financial offices are located in the surgery center building.
- Capital costs associated with no single item of medical equipment in the planned purchases exceeds \$750,000 as defined by GS 131E-176(14o).

Based on the foregoing, we respectfully request that the Healthcare Planning and Certificate of Need Section issue written confirmation that this project is exempt from Certificate of Need review under N.C.G.S § 131 E-184(g).

If you have any questions about this project, please contact me at (704) 920-7020.

Sincerely,



Robert S. Bashore
Administrator
Gateway Ambulatory Surgery Center, LLC

Attachments:

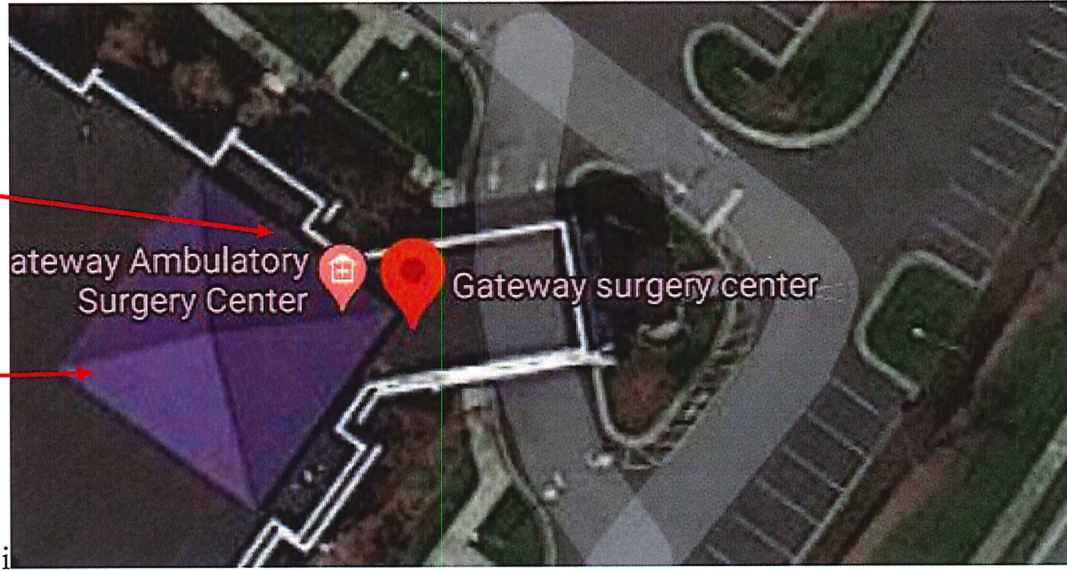
- Attachment A – Site Plan Gateway Surgery Center
- Attachment B – Estimated Capital Expenditure
- Attachment C – Floor Plan showing areas of planned improvements
- Attachment D- Copy of 2020 Ambulatory Surgery License



Administrative and
Financial Offices

Financial and
Administrative
Services

Clinical Services



Map: Google maps 4/2020

ATTACHMENT B

PROPOSED CAPITAL COSTS

Project name: Gateway Surgery Center Improvements 2020, ASC Facility ID 060202

Proponent: Gateway Ambulatory Surgery Center, LLC

1	Building Purchase Price	\$0
2	Purchase Price of Land	\$0
3	Closing Costs	\$0
4	Site Preparation	\$0
5	Construction/Renovation Contract(s)	\$3,014,000
6	Landscaping	\$0
7	Architect / Engineering Fees	\$311,000
8	Medical Equipment	\$513,000
9	Non Medical Equipment	\$970,000
10	Furniture	\$3,000
11	Consultant Fees	\$3,000
12	Financing Costs	\$0
13	Interest during Construction	\$36,000
14	Other (Contingency 15%)	\$871,000
	Total Capital Cost	\$5,721,000

I assure that, to the best of my knowledge, the above capital costs for the proposed project are complete and correct and that it is my intent to carry out the proposed project as described.

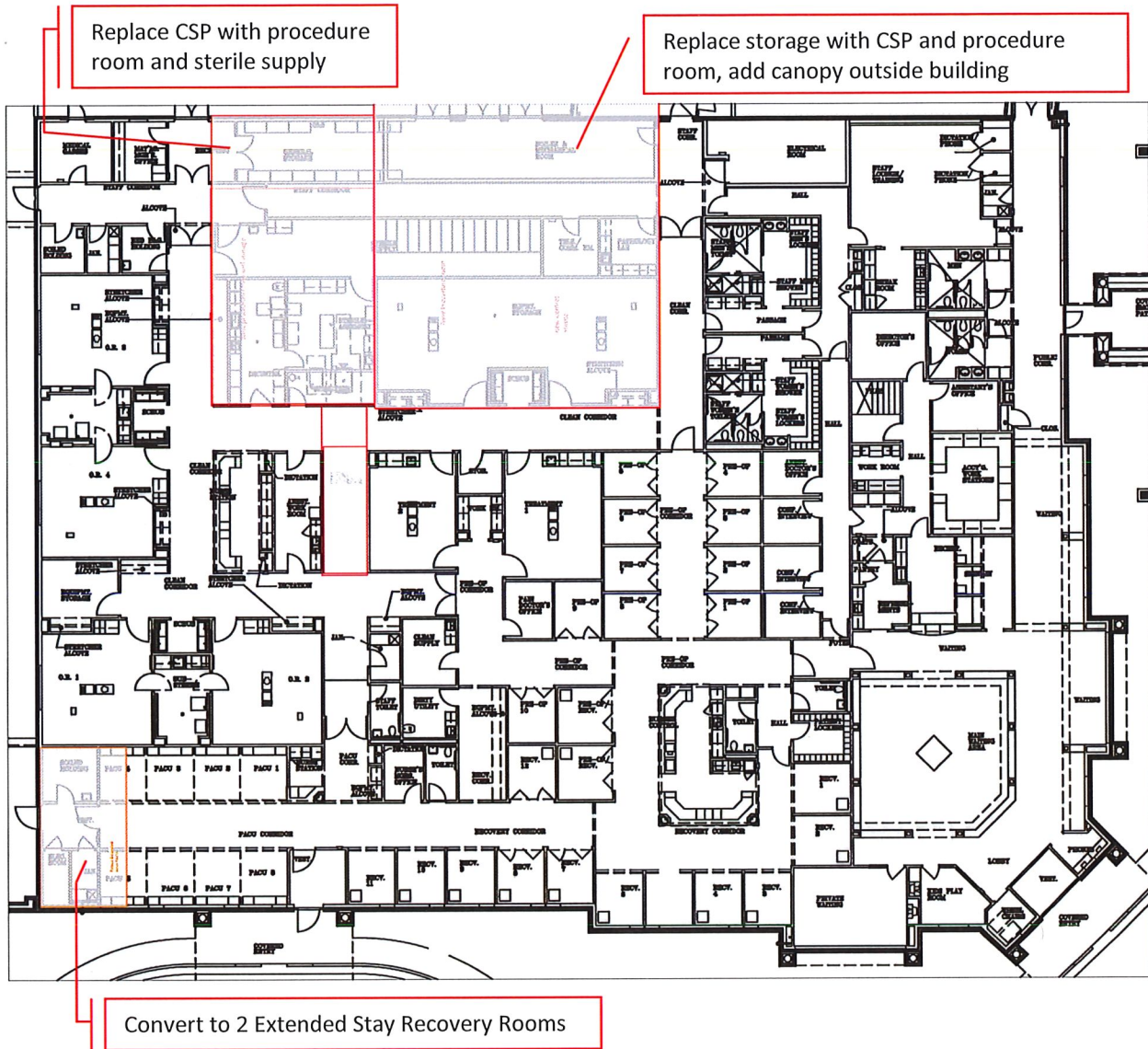


Robert S. Bashore, Administrator

4/21/20

Date

Gateway Surgery Center: Area for Renovation



State of North Carolina
Department of Health and Human Services
Division of Health Service Regulation

*Effective January 01, 2020, license is issued to
Gateway Ambulatory Surgery Center, LLC*

*to operate an ambulatory surgical clinic known as
Gateway Surgery Center*

*located at 1025 NorthEast Gateway Court, NE
Concord, Cabarrus County, North Carolina.*

*This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire
midnight December 31, 2020.*

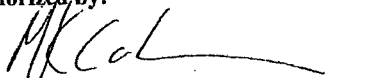
Facility ID: 060202

License Number: AS0070

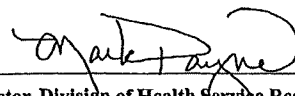
Surgical Operating Rooms: 4

Endoscopy Rooms: 2

Authorized by:



Secretary, N.C. Department of Health and
Human Services



Director, Division of Health Service Regulation

From: [Faenza, Julie M](#)
To: [Waller, Martha K](#)
Subject: FW: [External] Exemption Letter #2 Gateway
Date: Wednesday, April 22, 2020 8:47:46 AM

Julie M. Faenza, Esq.

Pronouns: She/her/hers

Project Analyst, Certificate of Need

Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services

919 855 3873 office

Julie.Faenza@dhhs.nc.gov

From: Nancy Lane <nlane@pda-inc.net>
Sent: Wednesday, April 22, 2020 8:46 AM
To: Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>
Subject: RE: [External] Exemption Letter #2 Gateway

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Thanks Julie,

Attached is the Exemption request. Please call me if you have any questions. We appreciate your timely assistance.

Nancy

Nancy M. Lane
President
PDA, Inc
2016 Cameron Street
P.O. Box 12844
Raleigh NC 27605

919-754-0303 (o)
919-754-0328 (fax)

Take a problem; make it a feature.

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From: Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>
Sent: Wednesday, April 22, 2020 8:29 AM

To: Nancy Lane <nlane@pda-inc.net>

Subject: RE: [External] Exemption Letter #2 Gateway

Emailing me a PDF is just fine. And we are doing all pre-application conferences by phone for now, so tell me some days and times you're thinking and we'll schedule something.

Julie M. Faenza, Esq.

Pronouns: She/her/hers

Project Analyst, Certificate of Need

Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services

919 855 3873 office

Julie.Faenza@dhhs.nc.gov

From: Nancy Lane <nlane@pda-inc.net>

Sent: Tuesday, April 21, 2020 4:42 PM

To: Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>

Subject: [External] Exemption Letter #2 Gateway

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report_spam@nc.gov

Hi Julie,

I am about to send the second and more complex Exemption Letter. Is email of a pdf sufficient, or do you need a hard copy?

We are also getting ready for a pre-application conference about the first week in May. We are happy to do it by phone and I could set up a conference line, if that would help. Or, are you required to do these on days you are in the office? If so, would that restrict you to Tuesdays?

Thanks,

Nancy

Nancy M. Lane

President

PDA, Inc

2016 Cameron Street

P.O. Box 12844

Raleigh NC 27605

919-754-0303 (o)

919-754-0328 (fax)

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