



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

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

RESPONSE REQUIRED

April 29, 2014

Laura MacFadden
3600 Country Club Road, Suite 201
Winston-Salem, NC 27103

Conditional Approval

Project I.D. #: K-10229-13
Facility: Same Day Surgery Center Franklin
Project Description: Relocate one operating room from Novant Health Franklin Medical Center for a total of two operating rooms at Same Day Surgery Center Franklin
County: Franklin
FID #: 090435

Dear Ms. MacFadden:

The Certificate of Need (CON) Section, Division of Health Service Regulation, Department of Health and Human Services has conditionally approved the above referenced certificate of need application. This decision was made after a review of the applications submitted for this cycle and after consideration of the Certificate of Need Law, G.S. 131E-175 et. seq. and regulations promulgated there under, the State Medical Facilities Plan, and other applicable information. Written notice of all findings and conclusions upon which the decision was based will be provided to the applicants within five business days after the date of the decision in accordance with G.S. 131E-186. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Department shall not issue the certificate of need until all applicable conditions of approval that can be satisfied before issuance of the certificate of need have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. Same Day Surgery Center Franklin shall materially comply with all representations made in this certificate of need application and in Project ID #K-8357-09. In those instances in which representations conflict, Same Day Surgery Center Franklin shall materially comply with the last-made representation.



Certificate of Need Section

www.ncdhhs.gov

Telephone 919-855-3873 • Fax 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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2. Same Day Surgery Center Franklin shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application and that would otherwise require a certificate of need.
3. Same Day Surgery Center Franklin shall construct an ambulatory surgical facility that shall be licensed for no more than two ambulatory surgical operating rooms and one procedure room.
4. Same Day Surgery Center Franklin shall meet all criteria to receive accreditation of the ambulatory surgical facility from JCAHO, AAAHC or a comparable accreditation authority within two years following completion of the facility.
5. Upon relocation of the existing operating room to the new location, Novant Health Franklin Regional Medical Center shall reduce the number of licensed operating rooms in the hospital by one, such that the hospital shall not be licensed for more than two shared operating rooms.
6. Same Day Surgery Center Franklin shall acknowledge acceptance of and agree to comply with all conditions stated herein in writing to the Certificate of Need Section prior to the issuance of the certificate of need.

Response to the above conditions should be submitted to the CON Section no later than 35 days from the date of the decision. Failure to respond within this time period may result in the CON Section making a determination not to issue a certificate of need for the project referenced above.

The conditional approval is valid only for a capital expenditure of **\$6,130,060**. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by G.S. 131E-176(16)(e).

The applicant should be aware that according to the Certificate of Need Law any affected person shall have thirty (30) days after the date of decision to file a petition for a contested case on this approval. Further, if you are aggrieved by the conditions of the decision you may file a petition for a contested case hearing in accordance with G.S. 150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings, P.O. Drawer 27447, Raleigh, North Carolina 27611-7447 within thirty (30) days of the date of this decision. [Note: Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to OAH Clerk's Office (919-431-3000).]

G.S. 150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Emery Milliken
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 MSC
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Certificate of Need Section.

The certificate of need will not be issued before the completion of this 30 day period ending **May 29, 2014**. If a contested case request is received within the thirty (30) day period, the certificate will not be issued until the appeal is resolved (10A NCAC 14C .0208).

The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the CON Section because the review period was extended. The timetable for this project is as follows:

Approval of Site by Construction Section, DHSR _____	December 1, 2014
Contract Award _____	March 1, 2015
25% Completion of Construction _____	June 15, 2015
50% Completion of Construction _____	December 1, 2015
75% Completion of Construction _____	March 15, 2016
Completion of Construction _____	September 1, 2016
Occupancy/Offering of Service(s) _____	October 1, 2016
Licensure of Facility _____	October 1, 2016

If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the certificate of need is issued. Please contact us if any clarification of this decision is required.

Please refer to the Project I.D. # and Facility I.D. # (FID) in all correspondence.

Sincerely,

Tanya S. Rupp, Project Analyst

Martha J. Frisone, Interim Chief
Certificate of Need Section

TSR:MJF:se

Attachment

Medical Facilities Planning Branch, DHSR
Acute & Home Care Licensure & Certification Section, DHSR
Construction Section, DHSR

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing notice of **conditional approval** on the following person by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelope addressed as follows:

Laura MacFadden
3600 Country Club Road, Suite 201
Winston-Salem, NC 27103

Project I.D. #K-10229-13

FID #090435

This the 29th day of April, 2014

Tanya S. Rupp, Project Analyst