



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Drexdal Pratt
Division Director

RESPONSE REQUIRED

August 28, 2015

April S. Culver
509 North Brightleaf Boulevard
Smithfield, NC 27577

Conditional Approval

Project ID #: J-11033-15
Facility: Johnston Health Endoscopy Services, LLC
Project Description: Develop a new licensed ambulatory surgery center with two GI endoscopy rooms in Clayton by relocating one GI endoscopy room from Johnston Health Clayton and developing a new endoscopy room
County: Johnston
FID #: 150206

Dear Ms. Culver:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) 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. Attached to this letter are the required findings made with respect to your application. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Agency shall not issue the certificate of need until all applicable conditions of approval have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. Johnston Health Services Corporation and Johnston Health Endoscopy Services, LLC shall materially comply with all representations made in the certificate of need application.
2. Johnston Health Services Corporation and Johnston Health Endoscopy Services, LLC 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.



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone 919-855-3873 • Fax 919-715-4413

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

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

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3. Johnston Health Services Corporation and Johnston Health Endoscopy Services, LLC shall relocate the existing gastrointestinal endoscopy room from Johnston Health Clayton to Johnston Health Endoscopy Services, LLC, and develop a new ambulatory surgical facility with no more than two gastrointestinal endoscopy rooms upon project completion.
4. Johnston Health Services Corporation shall take the necessary steps to delicense the existing gastrointestinal room at Johnston Health Clayton upon project completion.
5. Prior to issuance of the certificate of need, Johnston Health Endoscopy Services, LLC shall provide the agency with the documentation of an agreement to transfer and accept referrals of GI endoscopy patients from a hospital where physicians utilizing the facility have practice privileges.
6. Johnston Health Services Corporation and Johnston Health Endoscopy Services, LLC shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.

Response to the above conditions should be submitted to the Agency no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency 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 \$822,451. 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, 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 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 Mail Service Center
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Agency.

The certificate of need will not be issued before the completion of this 30 day period ending September 28, 2015. 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 Agency because the review period was extended. The timetable for this project is as follows:

Contract Award	January 1, 2016
25% Completion of Construction	April 1, 2016
50% Completion of Construction	July 1, 2016
Completion of Construction	September 15, 2016
Occupancy/Offering of Service	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 this office if any clarification of this decision is required.

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

Sincerely,

Tanya S. Rupp
Project Analyst

Fatimah Wilson
Team Leader, Certificate of Need

Attachment

cc: Acute & Home Care Licensure & Certification Section, DHSR
Construction Section, DHSR
Assistant Chief, Healthcare Planning

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:

April S. Culver
509 North Brightleaf Boulevard
Smithfield, NC 27577

Project ID #: J-11033-15
FID #: 150206

This the 28th day of August, 2015.

Tanya S. Rupp
Project Analyst, Certificate of Need