



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

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

**RESPONSE REQUIRED**

February 9, 2016

Kelli Collins  
3820 North Elm Street  
Greensboro, NC 27455

**Conditional Approval**

Project ID #: F-11106-15  
Facility: Randolph Surgery Center  
Project Description: Relocate 3 operating rooms (ORs) from CMC-University, 2 ORs from CMC-Main and 1 OR from Charlotte Surgery Center for a total of 6 ORs upon project completion  
County: Mecklenburg  
FID #: 100778

Dear Ms. Collins:

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. Charlotte Surgery Center, LP and The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System d/b/a Carolinas Medical Center d/b/a Carolinas Healthcare System University shall materially comply with all representations made in the certificate of need application.



**Healthcare Planning and Certificate of Need Section**

[www.ncdhhs.gov](http://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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2. Charlotte Surgery Center, LP and The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System d/b/a Carolinas Medical Center d/b/a Carolinas Healthcare System University shall relocate no more than six operating rooms to Randolph Surgery Center: one from Charlotte Surgery Center, two from Carolinas Medical Center, and three from Carolinas HealthCare System University (two from the main campus and one from the Huntersville campus).
3. Upon completion of the project, Charlotte Surgery Center, LP shall take steps necessary to de-license one dedicated outpatient operating room located at Charlotte Surgery Center. Charlotte Surgery Center shall be licensed for no more than six dedicated outpatient operating rooms at project completion.
4. Upon completion of the project, The Charlotte-Mecklenburg Hospital Authority shall take steps necessary to de-license two operating rooms at Carolinas Medical Center and three operating rooms at Carolinas HealthCare System University (two on the main campus and one on the Huntersville campus).
5. The following table illustrates the approved ORs, by type, following completion of this project for the impacted facilities.

Operating Rooms	CMC-Main License		CHS-University License	
	CMC-Main	CMC-Mercy	CHS-University	CHS-Huntersville
Dedicated Inpatient	1	0	0	0
Dedicated Outpatient	9	0	0	1
Shared	26	15	7	0
Dedicated Open Heart	5	0	0	0
Dedicated C-Section	4	0	1	0
<b>Totals</b>	<b>45</b>	<b>15</b>	<b>8</b>	<b>1</b>

6. Upon issuance of the certificate of need for this project, Randolph Surgery Center, LLC shall relinquish the certificate of need for Project ID #F-10218-13 to relocate two dedicated outpatient operating rooms from Carolinas Medical Center to a new separately licensed ambulatory surgery center.
7. Gastrointestinal endoscopy procedures shall not be performed in the procedure rooms.
8. Charlotte Surgery Center, LP and The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System d/b/a Carolinas Medical Center d/b/a Carolinas Healthcare System University 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 which would otherwise require a certificate of need.

9. Accreditation of the ambulatory surgical facility from The Joint Commission, The Accreditation Association of Ambulatory Health Care or a comparable accreditation authority shall be obtained within two years following the completion of the facility.
10. An Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes shall be developed and implemented. The plan must be consistent with the applicants' representations in the written statement as described in paragraph one of Policy GEN-4.
11. Charlotte Surgery Center, LP and The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System d/b/a Carolinas Medical Center d/b/a Carolinas Healthcare System University 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 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 \$13,979,728. 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 March 10, 2016. 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:

Approval of Final Drawings by the Construction Section, DHSR	October 11, 2016
25% Completion of Construction	November 11, 2016
50% Completion of Construction	January 1, 2017
75% Completion of Construction	March 11, 2017
Completion of Construction	May 25, 2017
Occupancy/Offering of Service/Operation of Equipment	July 1, 2017

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,

Celia C. Inman  
Project Analyst

Martha J. Frisone  
Assistant Chief, Certificate of Need

Attachment

cc: Acute & Home Care Licensure & Certification Section, DHSR  
Construction Section, DHSR  
Kelli Fisk, Program Assistant, Healthcare Planning, 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:

Kelli Collins  
3820 North Elm Street  
Greensboro, NC 27455  
Project ID #: F-11106-15  
FID #: 100778

This the 9<sup>th</sup> day of February, 2016.

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Celia C. Inman  
Project Analyst, Certificate of Need