



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Mark Payne, Director
Health Service Regulation

CORRECTED
RESPONSE REQUIRED

September 27, 2016

Virginia Jones
2015 Valleygate Drive
Fayetteville, NC 28304

Conditional Approval

Project ID #: M-11176-16
Facility: Valleygate Dental Surgery Center of Fayetteville
Project Description: Develop a dental and oral surgery ASC with two ORs and two procedure rooms in Cumberland County (Region 3) pursuant to the demonstration project in the 2016 SMFP
County: Cumberland
FID #: 160152

Dear Ms. Jones:

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. 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 Agency 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. Valleygate Dental Surgery Center of Fayetteville, LLC and VFD Real Estate Partners, LLC shall materially comply with all representations made in the certificate of need application.



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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2. Valleygate Dental Surgery Center of Fayetteville, LLC and VFD Real Estate Partners, LLC shall develop a Dental Single Specialty Ambulatory Surgical Facility Demonstration Project with no more than two operating rooms and two procedure rooms.
3. Valleygate Dental Surgery Center of Fayetteville, LLC and VFD Real Estate Partners, LLC shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditures in Section VII of the application and that would otherwise require a certificate of need.
4. Valleygate Dental Surgery Center of Fayetteville, LLC and VFD Real Estate Partners, LLC shall comply with all applicable criteria in Table 6D in the 2016 State Medical Facilities Plan.
5. Prior to issuance of the certificate of need, the applicants shall provide a projection for each of the first three full federal fiscal years of operation of the projected number of patients for the following payor types, broken down by age (under 21, 21 and older): (i) charity care; (ii) Medicaid; (iii) TRICARE; (iv) private insurance; (v) self-pay; and (vi) payment from other sources.
6. Prior to the issuance of the certificate of need Valleygate Dental Surgery Center of Fayetteville, LLC shall provide documentation of the availability of funds for the capital and working capital needs of the project.
7. Valleygate Dental Surgery Center of Fayetteville, LLC and VFD Real Estate Partners, 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 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 \$4,841,196. 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:

Lisa G. Corbett
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 Agency.

The certificate of need will not be issued before the completion of this 30 day period ending October 27, 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 site by	
Construction Section, DHSR _____	December 28, 2016
Contract Award _____	January 27, 2017
25% Completion of Construction _____	March 20, 2017
50% Completion of Construction _____	May 12, 2017
75% Completion of Construction _____	July 3, 2017
Completion of Construction _____	August 25, 2017
Occupancy/Offering of Service _____	October 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 us if any clarification of this decision is required.

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

Sincerely,

Gregory F. Yakaboski
Project Analyst

Martha J. Frisone
Assistant Chief, Certificate of Need

Attachment

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

CERTIFICATE OF SERVICE

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

Virginia Jones
2015 Valleygate Drive
Fayetteville, NC 28304

Project ID #: M-11176-16
FID #: 160152

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

Dr. Uday Reebye
5318 NC Highway 55, Suite 106
Durham, NC 27713

Project ID #: Q-11171-16
FID #: 160153

This the 27th day of September, 2016.

Gregory F. Yakaboski
Project Analyst, Certificate of Need