



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

RESPONSE REQUIRED

July 19, 2017

Thomas Eure
2201 South Sterling Street
Morganton, NC 28655

Conditional Approval

Project ID #: E-11298-17
Facility: Blue Ridge Surgery Center
Project Description: Develop a new ambulatory surgery center by separately licensing the four existing ORs, two GI endoscopy rooms and one procedure room on the Valdese campus
County: Burke
FID #: 170067

Dear Mr. Eure:

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, N.C. Gen. Stat. §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 N.C. Gen. Stat. §131E-187(a). The conditions are as follows:

1. Blue Ridge HealthCare Hospitals, Inc. and Blue Ridge HealthCare Surgery Center, LLC shall materially comply with all representations made in the certificate of need application.
2. Blue Ridge HealthCare Hospitals, Inc., and Blue Ridge HealthCare Surgery Center, LLC shall develop an ambulatory surgery center at CHS Blue Ridge-Valdese licensed for no more than

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

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four operating rooms, two gastrointestinal endoscopy rooms and one procedure room to be transferred from CHS Blue Ridge-Valdese.

3. Upon licensure of the ambulatory surgery center, Blue Ridge HealthCare Hospitals, Inc. and Blue Ridge HealthCare Surgery Center, LLC shall take the steps necessary to delicense four operating rooms, two gastrointestinal endoscopy rooms and one procedure room at CHS Blue Ridge-Valdese such that CHS Blue Ridge-Valdese shall no longer be licensed for any operating rooms or gastrointestinal endoscopy rooms.
4. Blue Ridge HealthCare Surgery Center, 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.

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 **\$1,433,190**. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by N.C. Gen. Stat. §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 N.C. Gen. Stat. §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).]

N.C. Gen. Stat. §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 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 **August 18, 2017**. 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:

1. Drawings Completed	November 30, 2017
2. 25% Construction/Renovation Completed (25% of the cost is in place)	March 30, 2018
3. 50% Construction/Renovation Completed	July 1, 2018
4. 75% Construction/Renovation Completed	September 30, 2018
5. Construction/Renovation Completed	December 15, 2018
6. Building/Space Occupied	January 1, 2019
7. Service Offered	January 1, 2019

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,

Gregory F. Yakaboski
Project Analyst

Lisa Pittman
Team Leader, Certificate of Need

Attachment

cc: Construction Section, DHSR
Acute & Home Care Licensure & Certification 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 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:

Thomas Eure
2201 South Sterling Street
Morganton, NC 28655

This the 19th day of July, 2017.

Gregory F. Yakaboski
Project Analyst, Certificate of Need