



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 28, 2017

Sophie Pawlak
415 North Center Street, Suite 300
Hickory, NC 28601

Conditional Approval

Project ID #: E-11347-17
Facility: Gastroenterology Associates
Project Description: Develop two additional GI endoscopy procedure rooms in an existing facility for a total of five GI endoscopy procedure rooms upon project completion
County: Catawba
FID #: 061239

Dear Ms. Pawlak:

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. Gastroenterology Associates, P.A. and Gastrocorp, LLC shall materially comply with all representations made in the certificate of need application and supplemental information received July 12, 2017 and July 18, 2017. In those instances where representations conflict, Gastroenterology Associates, P.A. and Gastrocorp, LLC shall materially comply with the last made representation.

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

AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



2. Gastroenterology Associates, P.A. and Gastrocorp, LLC shall develop no more than two additional licensed gastrointestinal endoscopy procedure rooms and shall be licensed for a total of no more than five gastrointestinal endoscopy procedure rooms at Gastroenterology Associates following project completion.
3. Gastroenterology Associates, P.A. and Gastrocorp, 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.
4. For the first two years of operation following completion of the project, Gastroenterology Associates, P.A. and Gastrocorp, LLC shall not increase actual private pay charges more than 5% of the projected private pay charges provided in Section X of the application without first obtaining a determination from the Healthcare Planning and Certificate of Need Section that the proposed increase is in material compliance with the representations in the certificate of need application.
5. Gastroenterology Associates, P.A. and Gastrocorp, LLC shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Healthcare Planning and 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 **\$1,593,734**. 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 28, 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. Financing Obtained	December 28, 2017
2. Drawings Completed	March 28, 2018
3. Construction/Renovation Contract(s) Executed	August 7, 2018
4. 25% of Construction/Renovation Completed (25% of the cost is in place)	October 5, 2018
5. 50% of Construction/Renovation Completed	November 5, 2018
6. 75% of Construction/Renovation Completed	December 5, 2018
7. Construction/Renovation Completed	December 23, 2018
8. Equipment Ordered	September 6, 2018
9. Equipment Operational	December 5, 2018
10. Licensure Obtained	January 1, 2019
11. Services Offered	January 1, 2019
12. Facility or Service Accredited (AAAH Accreditation)	July 5, 2018

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,

Julie Halatek
Project Analyst

Fatimah Wilson
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:

Sophie Pawlak
415 North Center Street, Suite 300
Hickory, NC 28601

This the 28th day of July, 2017.

Julie Halatek
Project Analyst, Certificate of Need