



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

RESPONSE REQUIRED

February 28, 2018

Anne Hill
1830 S. Hawthorne Road
Winston-Salem, NC 27103

Conditional Approval

Project ID #: G-11442-17
Facility: Kernersville Endoscopy Center
Project Description: Relocate two existing GI endoscopy rooms from Piedmont Endoscopy Center in Winston-Salem to a new ASC in Kernersville
County: Forsyth
FID #: 170526

Dear Ms. Hill:

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

1. Gastroenterology Associates of the Piedmont, PA shall materially comply with all representations made in the certificate of need application.
2. Gastroenterology Associates of the Piedmont, PA shall relocate no more than two licensed gastrointestinal endoscopy procedure rooms from Piedmont Endoscopy Center to Kernersville Endoscopy Center.

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



3. Upon completion of the project, Gastroenterology Associates of the Piedmont, PA shall be licensed for no more than two gastrointestinal endoscopy procedure rooms at Piedmont Endoscopy Center, and no more than two gastrointestinal endoscopy procedure rooms at Kernersville Endoscopy Center.
4. Gastroenterology Associates of the Piedmont, PA 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.
5. The procedure rooms shall not be used for procedures that should be performed only in an operating room based on current standards of practice.
6. Procedures performed in the procedure rooms shall not be reported for billing purposes as having been performed in an operating room and shall not be reported on the facility's license renewal application as procedures performed in an operating room.
7. Gastroenterology Associates of the Piedmont, PA shall receive accreditation from the Joint Commission for the Accreditation of Healthcare Organizations, the Accreditation Association for Ambulatory Health Care or a comparable accreditation authority within two years following licensure of the facility.
8. For the first three years of operation following completion of the project, Gastroenterology Associates of the Piedmont, PA shall not increase charges more than 5% of the charges projected 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.
9. No later than three months after the last day of each of the first three full years of operation following initiation of the services authorized by this certificate of need, Gastroenterology Associates of the Piedmont, PA shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:
 - a. Payor mix for the services authorized in this certificate of need.
 - b. Utilization of the services authorized in this certificate of need.
 - c. Revenues and operating costs for the services authorized in this certificate of need.
 - d. Average gross revenue per unit of service.
 - e. Average net revenue per unit of service.
 - f. Average operating cost per unit of service.
10. Gastroenterology Associates of the Piedmont, PA 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 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 **\$710,371**. 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, 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).]

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 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 **April 2, 2018**. 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 _____ December 17, 2017
2. Construction/Renovation Contract(s) Executed _____ January 15, 2018
3. 25% of Construction/Renovation Completed
(25% of the cost is in place) _____ February 1, 2018
4. 50% of Construction/Renovation Completed _____ February 15, 2018
5. 75% of Construction/Renovation Completed _____ March 1, 2018

6. Construction/Renovation Completed _____ March 31, 2018
7. Equipment Ordered _____ February 15, 2018
8. Equipment Installed _____ March 15, 2018
9. Equipment Operational _____ March 31, 2018
10. Building/Space Occupied _____ April 1, 2018
11. Licensure Obtained _____ July 5, 2018
12. Services Offered _____ July 5, 2018
13. Medicare and/or Medicaid Certification Obtained _____ January 5, 2019
14. Facility or Service Accredited _____ July 5, 2019
15. Final Annual Report Due _____ August 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 us 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

Lisa Pittman
Assistant Chief, Certificate of Need

Attachment

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

Anne Hill
1830 S. Hawthorne Road
Winston-Salem, NC 27103

This the 28th day of February, 2018.

Tanya S. Rupp
Project Analyst, Certificate of Need