



# STATE OF NORTH CAROLINA

*Department of Health and Human Services  
Division of Health Service Regulation*

## **CERTIFICATE OF NEED**

for

**Project ID #: E-11774-19**

**FID #: 170328**

**ISSUED TO: Bio-Medical Applications of North Carolina, Inc.**

Pursuant to N.C. Gen. Stat. § 131E-177(6), the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project described below. The certificate holder shall develop the project in a manner consistent with the representations in the application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein, as documented by the periodic progress reports required by 10A NCAC 14C .0209. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that section.

**SCOPE: Add no more than 1 dialysis station for a total of no more than 43 stations upon completion of this project and the following four projects: E-11377-17 (relocate facility); E-11401-17 (add 7 stations); E-11528-18 (change of scope); and E-11569-18 (add 1 station)/ Caldwell County**

**CONDITIONS: See Reverse Side**

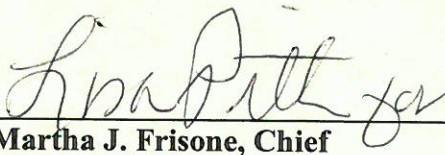
**PHYSICAL LOCATION: BMA Lenoir  
1208 Hickory Boulevard SW  
Lenoir, NC 28645**

**MAXIMUM CAPITAL EXPENDITURE: \$3,750**

**TIMETABLE: See Reverse Side**

**FIRST PROGRESS REPORT DUE: July 15, 2020**

This certificate is effective as of February 11, 2020

  
\_\_\_\_\_  
Martha J. Frisone, Chief

**CONDITIONS:**

1. Bio-Medical Applications of North Carolina, Inc. shall materially comply with all representations made in the certificate of need application.
2. Pursuant to the facility need determination in the July 2019 SDR, Bio-Medical Applications of North Carolina, Inc. shall develop no more than one additional dialysis station at BMA Lenoir for a total of no more than 43 dialysis stations, which shall include any home hemodialysis training or isolation stations, upon completion of this project and Project ID #E-11377-17 (relocate facility); Project ID #E-11401-17 (add 7 stations); Project ID #E-11528-18 (change of scope); and Project ID #E-11569-18 (add 1 station).
3. Bio-Medical Applications of North Carolina, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Agency on January 14, 2020.

**TIMETABLE:**

1. Financing Obtained _____	September 16, 2019
2. Drawings Completed _____	June 2, 2020
3. Equipment Ordered _____	September 30, 2020
4. Equipment Installed _____	November 29, 2020
5. Equipment Operational _____	December 13, 2020
6. Building / Space Occupied _____	December 13, 2020
7. Services Offered (required) _____	December 31, 2020
8. Medicare and / or Medicaid Certification Obtained _____	December 31, 2020

# STATE OF NORTH CAROLINA

*Department of Health and Human Services*

*Division of Health Service Regulation*

## **CERTIFICATE OF NEED**

for

**Project ID #: J-11799-19**

**FID #: 943138**

**ISSUED TO: Duke University Health System, Inc.**

Pursuant to N.C. Gen. Stat. § 131E-177(6), the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project described below. The certificate holder shall develop the project in a manner consistent with the representations in the application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein, as documented by the periodic progress reports required by 10A NCAC 14C .0209. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that section.

**SCOPE: Acquire no more than two units of heart-lung bypass equipment for a total of no more than eleven units upon project completion/ Durham County**

**CONDITIONS: See Reverse Side**

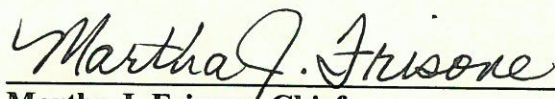
**PHYSICAL LOCATION: Duke University Hospital  
2301 Erwin Road  
Durham, NC 27710**

**MAXIMUM CAPITAL EXPENDITURE: \$750,000**

**TIMETABLE: See Reverse Side**

**FIRST PROGRESS REPORT DUE: August 1, 2020**

This certificate is effective as of February 25, 2020

  
**Martha J. Frisone, Chief**

**CONDITIONS:**

1. Duke University Health System, Inc. shall materially comply with all representations made in the certificate of need application.
2. Duke University Health System, Inc. shall acquire no more than two additional heart-lung bypass machines for a total of no more than eleven heart-lung bypass machines at Duke University Hospital.
3. Duke University Health System, Inc. shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section F of the application and that would otherwise require a certificate of need.
4. 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, Duke University Health System, Inc. 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
5. Duke University Health System, Inc. 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 the issuance of the certificate of need.

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Agency on February 10, 2020.

**TIMETABLE:**

1. Equipment Ordered \_\_\_\_\_ July 1, 2020
2. Equipment Operational \_\_\_\_\_ January 1, 2021
3. Services Offered (required) \_\_\_\_\_ January 1, 2021
4. First Annual Report Due \_\_\_\_\_ September 30, 2022

# STATE OF NORTH CAROLINA

*Department of Health and Human Services  
Division of Health Service Regulation*

## **CERTIFICATE OF NEED**

for

**Project ID #: F-11749-19**

**FID #: 190371**

**ISSUED TO: CaroMont Health, Inc.  
Gaston Memorial Hospital, Incorporated**

Pursuant to N.C. Gen. Stat. § 131E-177(6), the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project described below. The certificate holder shall develop the project in a manner consistent with the representations in the application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein, as documented by the periodic progress reports required by 10A NCAC 14C .0209. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that section.

**SCOPE:** Develop a new 54-bed acute care hospital in Belmont by relocating no more than 21 existing acute care beds from the hospital in Gastonia and developing the 33 acute care beds pursuant to the need determination in the 2019 SMFP. No more than one dedicated C-Section OR and one GI endoscopy room will be relocated from the hospital in Gastonia and no more than 2 ORs will be relocated from CaroMont Specialty Surgery. In addition, this project is a change of scope for Project ID #F-10354-14 (replacement and relocation of major medical equipment and acquisition of 2 digital RF systems and 1 ultrasound unit)/ Gaston County

**CONDITIONS:** See Reverse Side

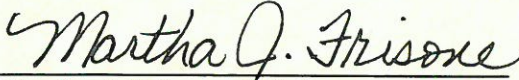
**PHYSICAL LOCATION:** CaroMont Regional Medical Center -Belmont  
Eastern Portion of Parcel I.D. #217518  
Belmont, NC 28012

**MAXIMUM CAPITAL EXPENDITURE:** \$195,795,775

**TIMETABLE:** See Reverse Side

**FIRST PROGRESS REPORT DUE:** July 1, 2020

This certificate is effective as of February 25, 2020

  
Martha J. Frisone, Chief

## **CONDITIONS:**

- 1. Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall materially comply with all representations made in the application and any supplemental responses. In the event that representations conflict, Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall materially comply with the last made representation.**
- 2. Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc., shall develop CaroMont Regional Medical Center – Belmont, a new, separately licensed 54-bed acute care hospital by developing no more than 33 new acute care beds pursuant to the need determination in the 2019 State Medical Facilities Plan, relocating no more than 21 acute care beds, no more than one dedicated C-Section operating room, and no more than one gastrointestinal endoscopy room from CaroMont Regional Medical Center, and relocating no more than two operating rooms from CaroMont Specialty Surgery. In a change of scope for Project I.D. #F-10354-14, Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall also relocate one ultrasound unit and replace and relocate a CT scanner, an MRI scanner, and two RF systems to CaroMont Regional Medical Center – Belmont.**
- 3. Upon completion of the project, Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall take the necessary steps to delicense 21 acute care beds, one dedicated C-Section operating room, and one gastrointestinal endoscopy room at CaroMont Regional Medical Center, which shall be licensed for no more than 351 acute care beds, no more than 21 operating rooms, and no more than five gastrointestinal endoscopy rooms.**
- 4. Upon completion of the project, Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall take the necessary steps to delicense two operating rooms at CaroMont Specialty Surgery, which shall be licensed for no more than four operating rooms.**
- 5. Upon issuance of the certificate of need for this project, Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall relinquish the certificate of need for Project I.D. #F-10354-14 to the Agency.**
- 6. Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
- 7. Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall develop and implement 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.**
- 8. 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, Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. 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.**
- 9. Gaston Memorial Hospital, Incorporated and CaroMont Health, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**

Project I.D. # F-11749-19 Cont.

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Agency on February 12, 2020.

**TIMETABLE:**

1. Drawings Completed \_\_\_\_\_ December 1, 2020
2. Construction / Renovation Contract(s) Executed \_\_\_\_\_ July 1, 2020
3. 25% of Construction / Renovation Completed  
(25% of the cost is in place) \_\_\_\_\_ January 1, 2020
4. 50% of Construction / Renovation Completed \_\_\_\_\_ December 15, 2021
5. 75% of Construction / Renovation Completed \_\_\_\_\_ June 30, 2022
6. Construction / Renovation Completed \_\_\_\_\_ May 30, 2023
7. Equipment Ordered \_\_\_\_\_ May 1, 2022
8. Equipment Installed \_\_\_\_\_ June 1, 2023
9. Equipment Operational \_\_\_\_\_ June 15, 2023
10. Building / Space Occupied \_\_\_\_\_ June 15, 2023
11. Licensure Obtained \_\_\_\_\_ July 1, 2023
12. Services Offered (required) \_\_\_\_\_ July 1, 2023
13. Medicare and / or Medicaid Certification Obtained \_\_\_\_\_ July 1, 2023
14. Facility or Service Accredited \_\_\_\_\_ July 1, 2023
15. First Annual Report Due \_\_\_\_\_ September 30, 2024



# STATE OF NORTH CAROLINA

*Department of Health and Human Services  
Division of Health Service Regulation*

## **CERTIFICATE OF NEED**

for

**Project ID #: F-11760-19**

**FID #: 190165**

**ISSUED TO: Carolinas Physicians Network, Inc.**

Pursuant to N.C. Gen. Stat. § 131E-177(6), the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project described below. The certificate holder shall develop the project in a manner consistent with the representations in the application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein, as documented by the periodic progress reports required by 10A NCAC 14C .0209. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that section.

**SCOPE: Acquire no more than one fixed MRI scanner pursuant to the need determination in the 2019 SMFP**

**CONDITIONS: See Reverse Side**

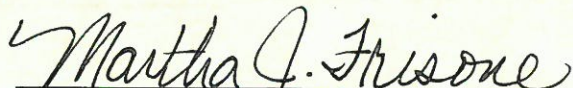
**PHYSICAL LOCATION: Atrium Health Kenilworth Diagnostic Center #1  
1237 Harding Place  
Charlotte, NC 28204**

**MAXIMUM CAPITAL EXPENDITURE: \$3,820,272**

**TIMETABLE: See Reverse Side**

**FIRST PROGRESS REPORT DUE: June 1, 2020**

This certificate is effective as of February 28, 2020

  
**Martha J. Frisone, Chief**

**CONDITIONS:**

1. Carolina Physicians Network, Inc. shall materially comply with all representations made in the certificate of need application.
2. Carolina Physicians Network, Inc. shall acquire no more than one fixed MRI scanner for a total of no more than one MRI scanner to be locate at Atrium Health Kenilworth Diagnostic Center #1.
3. Upon completion of the project Atrium Health Kenilworth Diagnostic Center #1 shall be licensed for no more than one MRI scanner.
4. Carolina Physicians Network, Inc. shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.
5. No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, Carolina Physicians Network, Inc. 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.
6. Carolina Physicians Network, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Agency on February 12, 2020.

**TIMETABLE:**

1. Drawings Completed \_\_\_\_\_ April 6, 2020
2. Construction / Renovation Contract(s) Executed \_\_\_\_\_ April 13, 2020
3. 25% of Construction / Renovation Completed  
(25% of the cost is in place) \_\_\_\_\_ May 25, 2020
4. 50% of Construction / Renovation Completed \_\_\_\_\_ July 20, 2020
5. 75% of Construction / Renovation Completed \_\_\_\_\_ September 11, 2020
6. Construction / Renovation Completed \_\_\_\_\_ December 7, 2020
7. Equipment Ordered \_\_\_\_\_ March 5, 2020
8. Equipment Installed \_\_\_\_\_ December 14, 2020
9. Equipment Operational \_\_\_\_\_ December 21, 2020
10. Building / Space Occupied \_\_\_\_\_ January 1, 2021
11. Licensure Obtained \_\_\_\_\_ January 1, 2021
12. Services Offered (required) \_\_\_\_\_ January 1, 2021
13. Medicare and / or Medicaid Certification Obtained \_\_\_\_\_ January 1, 2021
14. Facility or Service Accredited \_\_\_\_\_ January 1, 2021
15. First Annual Report Due \_\_\_\_\_ March 1, 2022

# STATE OF NORTH CAROLINA

*Department of Health and Human Services  
Division of Health Service Regulation*

## **CERTIFICATE OF NEED**

for

**Project ID #: O-11805-19**

**FID #: 943372**

**ISSUED TO: New Hanover Regional Medical Center**

Pursuant to N.C. Gen. Stat. § 131E-177(6), the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project described below. The certificate holder shall develop the project in a manner consistent with the representations in the application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein, as documented by the periodic progress reports required by 10A NCAC 14C .0209. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that section.

**SCOPE: Acquire replacement cardiac catheterization equipment/ New Hanover County**

**CONDITIONS: See Reverse Side**

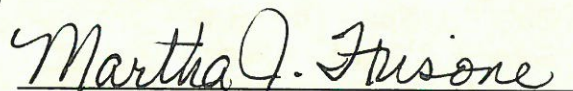
**PHYSICAL LOCATION: New Hanover Regional Medical Center  
2131 S. 17<sup>th</sup> Street  
Wilmington, NC 28401**

**MAXIMUM CAPITAL EXPENDITURE: \$4,496,920**

**TIMETABLE: See Reverse Side**

**FIRST PROGRESS REPORT DUE: September 1,2020**

This certificate is effective as of February 27, 2020

  
**Martha J. Frisone, Chief**

**CONDITIONS:**

1. New Hanover Regional Medical Center shall materially comply with all representations made in the certificate of need application and any supplemental responses. In the event that representations conflict, New Hanover Regional Medical Center shall materially comply with the last made representation.
2. New Hanover Regional Medical Center shall materially comply with all representations made in the certificate of need application.
3. New Hanover Regional Medical Center shall acquire no more than one unit of cardiac catheterization equipment to replace one existing unit of cardiac catheterization equipment. The applicant shall recategorize the existing unit of cardiac catheterization equipment in Cardiac Cath Lab #5 to provide only interventional radiology procedures on that unit.
4. New Hanover Regional Medical Center shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.
5. No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, New Hanover Regional Medical Center 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.
6. New Hanover Regional Medical Center 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.

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Agency on February 4, 2020.

**TIMETABLE:**

- |  |                    |
|--|--------------------|
| 1. Financing Obtained _____  | October 10, 2019   |
| 2. Drawings Completed _____  | May 15, 2020       |
| 3. Construction / Renovation Contract(s) Executed _____                              | May 15, 2020       |
| 4. 25% of Construction / Renovation Completed<br>(25% of the cost is in place) _____ | June 15, 2020      |
| 5. 50% of Construction / Renovation Completed _____                                  | July 1, 2020       |
| 6. 75% of Construction / Renovation Completed _____                                  | August 15, 2020    |
| 7. Construction / Renovation Completed _____   | September 15, 2020 |
| 8. Equipment Ordered _____   | May 15, 2020       |
| 9. Equipment Installed _____   | September 15, 2020 |
| 10. Equipment Operational _____  | October 1, 2020    |
| 11. Building / Space Occupied _____  | October 1, 2020    |
| 12. Services Offered (required) _____  | October 1, 2020    |
| 13. First Annual Report Due _____  | March 1, 2022      |

# STATE OF NORTH CAROLINA

*Department of Health and Human Services  
Division of Health Service Regulation*

## **CERTIFICATE OF NEED**

for

**Project ID #: J-11804-19**

**FID #: 180414**

**ISSUED TO: RAC Surgery Center, LLC  
Fresenius Vascular Care Raleigh MSO, LLC**

Pursuant to N.C. Gen. Stat. § 131E-177(6), the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project described below. The certificate holder shall develop the project in a manner consistent with the representations in the application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein, as documented by the periodic progress reports required by 10A NCAC 14C .0209. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that section.

**SCOPE: Cost overrun and change of scope for Project ID# J-11551-18 (Develop a new ASC with 1 OR and 2 procedure rooms for vascular access procedures for ESRD patients) for a total of 1 OR and 3 procedure rooms / Wake County**

**CONDITIONS: See Reverse Side**

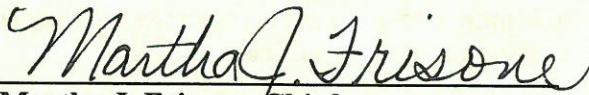
**PHYSICAL LOCATION: RAC Surgery Center, LLC  
3031 New Bern Avenue, Suite 200  
Raleigh, NC 27610**

**MAXIMUM CAPITAL EXPENDITURE: \$1,792,511**

**TIMETABLE: See Reverse Side**

**FIRST PROGRESS REPORT DUE: June 1, 2020**

This certificate is effective as of February 28, 2020

  
**Martha J. Frisone, Chief**

**CONDITIONS:**

1. RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC shall materially comply with the representations in this application and the representations in Project ID#J-11551-18. Where representations conflict, RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC shall materially comply with the last made representation.
2. RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC shall develop no more than one operating room and three procedure rooms upon completion of this project and Project J-11551-18 (Develop a new ambulatory surgical facility in Raleigh with one operating room and two procedure rooms focused on vascular access procedures for patients with end stage renal disease).
3. Upon completion of the project, RAC Surgery Center, LLC shall be licensed for no more than three procedure rooms.
4. The total combined capital expenditure for both projects is \$3,792,511, an increase of \$1,792,511 over the capital expenditure of \$2,000,000 previously approved in Project ID# J-11551-18.
5. RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.
6. RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC 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.
7. For the first three years of operation following completion of the project, RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC shall not increase charges more than 5% of the charges projected in Section Q 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.
8. The procedure rooms shall not be used for procedures that should be performed only in an operating rooms based on current standards of practice.
9. Procedures performed in the procedure room 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.
10. No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC 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.
11. RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.

(Project I.D. J-11804-19 Cont.)

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Agency on February 5, 2020.

**TIMETABLE:**

1. Financing Obtained \_\_\_\_\_ January 30, 2020
2. Drawings Completed \_\_\_\_\_ August 28, 2019
3. Construction / Renovation Contract(s) Executed \_\_\_\_\_ March 1, 2020
4. 25% of Construction / Renovation Completed  
(25% of the cost is in place) \_\_\_\_\_ April 15, 2020
5. 50% of Construction / Renovation Completed \_\_\_\_\_ May 15, 2020
6. 75% of Construction / Renovation Completed \_\_\_\_\_ June 15, 2020
7. Construction / Renovation Completed \_\_\_\_\_ August 1, 2020
8. Equipment Ordered \_\_\_\_\_ June 1, 2020
9. Equipment Installed \_\_\_\_\_ August 1, 2020
10. Equipment Operational \_\_\_\_\_ August 31, 2020
11. Building / Space Occupied \_\_\_\_\_ September 1, 2020
12. Licensure Obtained \_\_\_\_\_ September 30, 2020
13. Services Offered (required) \_\_\_\_\_ October 1, 2020
14. Medicare and / or Medicaid Certification Obtained \_\_\_\_\_ January 1, 2023
15. Facility or Service Accredited \_\_\_\_\_ December 21, 2020



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

March 5, 2020

Rhonda Palumbo  
52 East Swedesford Road  
Suite 110  
Malvern, PA 19355

**Transmittal of Corrected Certificate of Need**

Project ID #: J-11804-19

Facility: RAC Surgery Center, LLC

Project Description: Cost overrun and change of scope for Project ID# J-11551-18 (Develop a new ASC with 1 OR and 2 procedure rooms for vascular access procedures for ESRD patients) for a total of 1 OR and 3 procedure rooms

County: Wake

FID #: 180414

Dear Ms. Palumbo:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) is happy to transmit your corrected certificate of need for the above referenced project.

Please be aware that pursuant to N.C. Gen. Stat. §131E-181(b), you are required to materially comply with the representations made in your application for a certificate of need, or with any conditions the Agency placed on the certificate of need. If you operate a service which materially differs from the representations made in your application for a certificate of need, or with any conditions the Agency placed on the certificate of need, including any increase in per diem reimbursement rates/charges, the Agency may bring remedial action against the holder of the certificate of need pursuant to N.C. Gen. Stat. §131E-189 and 131E-190.

**The holder of a certificate of need is obligated to submit progress reports to this office as required by 10A NCAC 14C .0209. The first progress report on this project is due September 1, 2019.** Failure to submit any scheduled or requested progress report in a timely manner may result in the Agency withdrawing the certificate pursuant to N.C. Gen. Stat. §131E-189.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603

MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704

<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

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Rhonda Palumbo  
March 5, 2020  
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Moreover, please be advised that this Agency may assess a civil penalty not to exceed \$20,000 against any person who violates the terms of a certificate of need which has been issued each time the service provided is in violation of this provision (N.C. Gen. Stat. §131E-190(f)).

Sincerely,



Ena Lightbourne  
Project Analyst



Martha J. Frisone  
Chief

Enclosures

cc: Radiation Protection, DHSR

# STATE OF NORTH CAROLINA

*Department of Health and Human Services  
Division of Health Service Regulation*

## **CORRECTED CERTIFICATE OF NEED**

for

**Project ID #: J-11804-19**

**FID #: 180414**

**ISSUED TO: RAC Surgery Center, LLC  
Fresenius Vascular Care Raleigh MSO, LLC**

Pursuant to N.C. Gen. Stat. § 131E-177(6), the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project described below. The certificate holder shall develop the project in a manner consistent with the representations in the application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein, as documented by the periodic progress reports required by 10A NCAC 14C .0209. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that section.

**SCOPE: Cost overrun and change of scope for Project ID# J-11551-18 (Develop a new ASC with 1 OR and 2 procedure rooms for vascular access procedures for ESRD patients) for a total of 1 OR and 3 procedure rooms / Wake County**

**CONDITIONS: See Reverse Side**

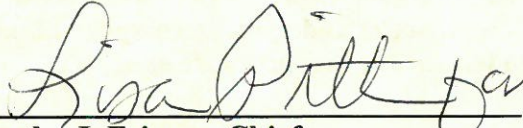
**PHYSICAL LOCATION: RAC Surgery Center, LLC  
3031 New Bern Avenue, Suite 200  
Raleigh, NC 27610**

**MAXIMUM CAPITAL EXPENDITURE: \$1,792,511**

**TIMETABLE: See Reverse Side**

**FIRST PROGRESS REPORT DUE: June 1, 2020**

This certificate is effective as of February 28, 2020

  
\_\_\_\_\_  
Martha J. Frisone, Chief

**CONDITIONS:**

1. RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC shall materially comply with the representations in this application and the representations in Project ID#J-11551-18. Where representations conflict, RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC shall materially comply with the last made representation.
2. RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC shall develop no more than one operating room and three procedure rooms upon completion of this project and Project J-11551-18 (Develop a new ambulatory surgical facility in Raleigh with one operating room and two procedure rooms focused on vascular access procedures for patients with end stage renal disease).
3. Upon completion of the project, RAC Surgery Center, LLC shall be licensed for no more than three procedure rooms.
4. The total combined capital expenditure for both projects is \$3,792,511, an increase of \$1,792,511 over the capital expenditure of \$2,000,000 previously approved in Project ID# J-11551-18.
5. RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.
6. RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC 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.
7. For the first three years of operation following completion of the project, RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC shall not increase charges more than 5% of the charges projected in Section Q 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.
8. The procedure rooms shall not be used for procedures that should be performed only in an operating rooms based on current standards of practice.
9. Procedures performed in the procedure room 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.
10. No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC 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.
11. RAC Surgery Center, LLC and Fresenius Vascular Care Raleigh MSO, LLC shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.

(Project I.D. J-11804-19 Cont.)

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Agency on February 5, 2020.

**TIMETABLE:**

1. Financing Obtained \_\_\_\_\_ January 30, 2020
2. Drawings Completed \_\_\_\_\_ August 28, 2019
3. Construction / Renovation Contract(s) Executed \_\_\_\_\_ March 1, 2020
4. 25% of Construction / Renovation Completed  
(25% of the cost is in place) \_\_\_\_\_ April 15, 2020
5. 50% of Construction / Renovation Completed \_\_\_\_\_ May 15, 2020
6. 75% of Construction / Renovation Completed \_\_\_\_\_ June 15, 2020
7. Construction / Renovation Completed \_\_\_\_\_ August 1, 2020
8. Equipment Ordered \_\_\_\_\_ June 1, 2020
9. Equipment Installed \_\_\_\_\_ August 1, 2020
10. Equipment Operational \_\_\_\_\_ August 31, 2020
11. Building / Space Occupied \_\_\_\_\_ September 1, 2020
12. Licensure Obtained \_\_\_\_\_ September 30, 2020
13. Services Offered (required) \_\_\_\_\_ October 1, 2020
14. Medicare and / or Medicaid Certification Obtained \_\_\_\_\_ January 1, 2023
15. Facility or Service Accredited \_\_\_\_\_ December 21, 2020
16. First Annual Report Due \_\_\_\_\_ December 31, 2021

