



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

December 5, 2016

Lee M. Spinks & William R. Shenton  
P.O. Box 1801  
Raleigh, NC 27602-1801

**No Review**

**Record #:** 2109  
**Facility Name:** Gastroenterology East, P.A.  
**FID #:** 061341  
**Business Name:** Covenant Surgical Partners, Inc.  
**Business #:** 2528  
**Project Description:** Covenant to acquire majority (51%) membership interests in NEWCO  
**County:** Pitt

Dear Messrs. Spinks & Shenton:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of November 18, 2016 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

However, you need to contact the Agency's Acute and Home Care Licensure and Certification Section to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented in your correspondence. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,  
  
Jane Rhoe-Jones  
Project Analyst

  
Martha J. Frisone  
Assistant Chief, Certificate of Need

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



**Healthcare Planning and Certificate of Need Section**

www.ncdhhs.gov

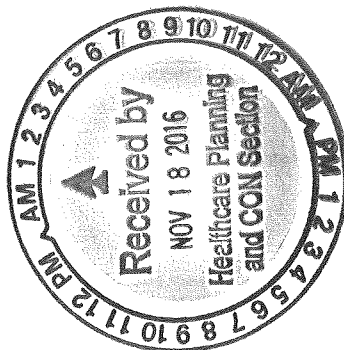
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Poyner Spruill<sup>LLP</sup>

November 18, 2016

Lee A. Spinks  
Partner  
D: 704.342.5278  
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lspinks@poynerspruill.com

William R. Shenton  
Partner  
D: 919.783.2947  
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wshenton@poynerspruill.com

**Via Hand Delivery**

Martha Frisone  
Assistant Chief  
Certificate of Need Section  
N.C. Division of Health Service Regulation  
809 Ruggles Drive  
Raleigh, NC 27603

**RE: Notice of Exempt Transaction and Request for No Review Determination –  
Transfer of Ownership Interests in Ambulatory Surgery Center in Greenville, North Carolina**

Dear Ms. Frisone:

We are writing on behalf of our client, Gastroenterology East, P.A. ("East"), which owns and operates an ambulatory surgery center with three endoscopy rooms under License Number ASC 0117, located at 2210 Hemby Lane in Greenville ("the ASC"). Negotiations are underway that would result in a transfer of the majority of the ownership interests (51%) in the ASC to Covenant Surgical Partners, Inc. ("Covenant"). We are writing this letter at the request of both East and Covenant to establish that the two successive transactions that would result in the change in ownership may proceed without certificate of need review. The parties plan to close before the year-end, and respectfully request a response by December 15.

**1. Background On the ASC.**

East has owned and operated the ASC since February of 2007. The building in which the ASC is located currently is leased by East from an unrelated party. The ASC has no pending CON projects, and the transactions described below will not entail adding new equipment, new capacity, or the offering of any services not previously offered by East. East's current sole owner is a physician, Dr. Jack Cole.

**2. Description of the Proposed Transactions.**

The ownership transfer is planned to occur in two steps:

**a. First Step: Proposed Acquisition of the ASC by "NEWCO."**

Initially, East will transfer ownership of the ASC to a newly formed limited liability company owned by East. The only member of this NEWCO LLC will be the Practice, East, owned by Dr. Cole – the same Practice that currently holds direct ownership of the ASC. This essentially is a corporate reorganization resulting in the ownership of ASC, with all its assets and equipment, by NEWCO, LLC ("NEWCO").

**b. Second Step: Proposed Acquisition of Corporate Ownership Interests by Covenant.**

Once the ASC is owned by NEWCO, Covenant would acquire a majority (51%) of the membership interests in NEWCO from the Practice, East.

**3. Analysis of the Transactions Under the CON Law.**

**a. Step One—Proposed Acquisition of the ASC by NEWCO.**

In essence, the first transaction is nothing more than a corporate reorganization of the ASC, resulting in the same physician and his practice – East, which is owned 100% by Dr. Cole - now owning the ASC as a subsidiary. The CON Section has previously found that a transfer of 100 per cent of the ownership interests of a health service facility to a wholly-owned subsidiary is not governed by the CON Law. See *No Review Letter in re Hugh Chatham Nursing Center, attached as Exhibit A*. The transfer of the ASC to a different business entity that is owned by the Practice, East, and that Practice (and thus indirectly, the ASC) continues to be owned by the same physician, is directly analogous and should be allowed to proceed without further review on the same basis.

However, even if this first transaction is deemed not to be a corporate reorganization, the CON Law provides that, upon receiving prior written notice, the CON Section “shall exempt from certificate of need review” the acquisition of “an existing health service facility, including equipment owned by the health service facility at the time of acquisition.” N.C. Gen. Stat. § 131E-184(a)(8). The ASC is a health service facility as defined in N.C. Gen. Stat. § 131E-176 (9b); and the first transaction will entail the acquisition of the ASC and its entire complement of equipment. Since the ASC is a health service facility, its acquisition by NEWCO should be exempted from CON review under N.C. Gen. Stat. § 131E-184(a)(8).

**b. Step Two: Covenant’s Proposed Acquisition of Ownership Interests.**

Covenant’s acquisition of the ownership interests in NEWCO in the second transaction does not constitute a new institutional health service that requires a certificate of need, and does not implicate the CON Law. Based upon the clear terms of the CON Law and the longstanding approach that the Division of Health Service Regulation and the CON Section have taken to the purchase of equity interests in companies that operate existing North Carolina health care facilities, the acquisition of ownership interests in NEWCO should proceed without review or approval through the CON process.

The CON Law provides that no person shall offer or develop a “new institutional health service” without first obtaining a CON. N.C. Gen. Stat. § 131E-178. However, none of the components of the “new institutional health service” definition addresses, directly or indirectly, the acquisition of ownership interests in a company that already is operating a health service. This type of transaction is among the “administrative and other activities that are not integral to clinical management,” and which are specifically excluded from the definition of “health service” in the CON Law. N.C. Gen. Stat. § 131E-176(9a). Therefore, so long as there is no change in the services offered or the equipment employed to offer the services, an acquisition of ownership interests in NEWCO does not implicate any provision of the CON Law and should not be subject to CON review.

In a large number of prior declaratory rulings and no review determinations, the Department and CON Section have recognized that transactions which only involve an acquisition of underlying corporate shares or membership interests in the legal entity that operates an existing health service facility simply

are not governed by the CON Law and thus do not trigger certificate of need review. There were several recent examples this year involving surgery centers:

- On July 12, 2016, The CON Section determined that a transfer of a significant portion of the ownership interests in Atlantic Surgery Center, LLC to New Hanover Regional Medical Center could proceed without further review because the transaction was not governed by the CON law. See Exhibit B
- On June 1, 2016, the CON Section determined that a the acquisition by an affiliate of Duke University Health System of a majority ownership in the Triangle Endoscopy Center could proceed. See Exhibit C.
- On January 21, 2016 the CON Section determined that a change in the ownership interest in Carolina Digestive Diseases, PA also was not governed by the CON Law and could proceed. See Exhibit D.

In each of these circumstances, just as is the case with the transfer of interests in NEWCO, the transaction involves only a change in the underlying ownership of an existing facility, with no additional change in capacity or addition of services, and so the CON Law does not govern the transactions.

#### **4. Conclusion**

The CON Law regulates the development and offering of those "new institutional health services" that would create additional capacity, and which are enumerated in N.C. Gen. Stat. § 131E-176(16). Each of these new institutional health services entails in some way the acquisition or establishment of a *new* health service, *new* equipment, *new* facilities, or expansions and relocations of existing facilities or services (which also would have an impact on how health services are deployed and utilized). In keeping with its fundamental goals, the CON Law expressly recognizes that certain activities like acquisition of the facility by NEWCO in the first transaction are exempt from review.

The proposed transactions do not involve the development or offering of any new facility, service or equipment. The ASC has been established and operating for years and the State's inventory of endoscopy rooms will not change as a result of the proposed transactions. Therefore, the activities described in this letter do not implicate the fundamental objective of the CON Law -- controlling the development and expansion of health service facilities.

For all of these reasons, the regulation of events like the proposed transactions described above are beyond the scope of the CON Law, and should not require a CON. North Carolina courts have recognized that because the CON Law interferes with the normal right to do business, it must be narrowly construed. See *HCA Crossroads Residential Centers, Inc. v. N.C. Dep't of Human Resources*, 327 N.C. 573, 579, 398 S.E.2d 466, 470 (1990) ("When viewed in its entirety, Article 9 of Chapter 131E of the General Statutes, the Certificate of Need Law, reveals the legislature's intent that an applicant's fundamental right to engage in its otherwise lawful business be regulated but not be encumbered with unnecessary bureaucratic delay.") Failure to issue the requested exemption and no-review determinations would delay and impede EAST and Covenant in completing a lawful business transaction.

We respectfully request your earliest possible attention to this matter and look forward to your written confirmation that the proposed transactions we have described do not require a certificate of need

Ms. Martha Frisone  
Assistant Chief, CON Section  
November 18, 2016  
Page 4

Poyner Spruill<sup>LLP</sup>

because NEWCO's acquisition of the existing facility is exempt from review and the CON Law has no bearing on transfer of ownership interests in NEWCO. As indicated, the parties would like to move forward with these transactions as soon as feasible, and accordingly, request a response from you on or before December 15, 2016, if at all possible.

Thank you for your attention to this matter, and please let us know if you need any additional information

Very truly yours,

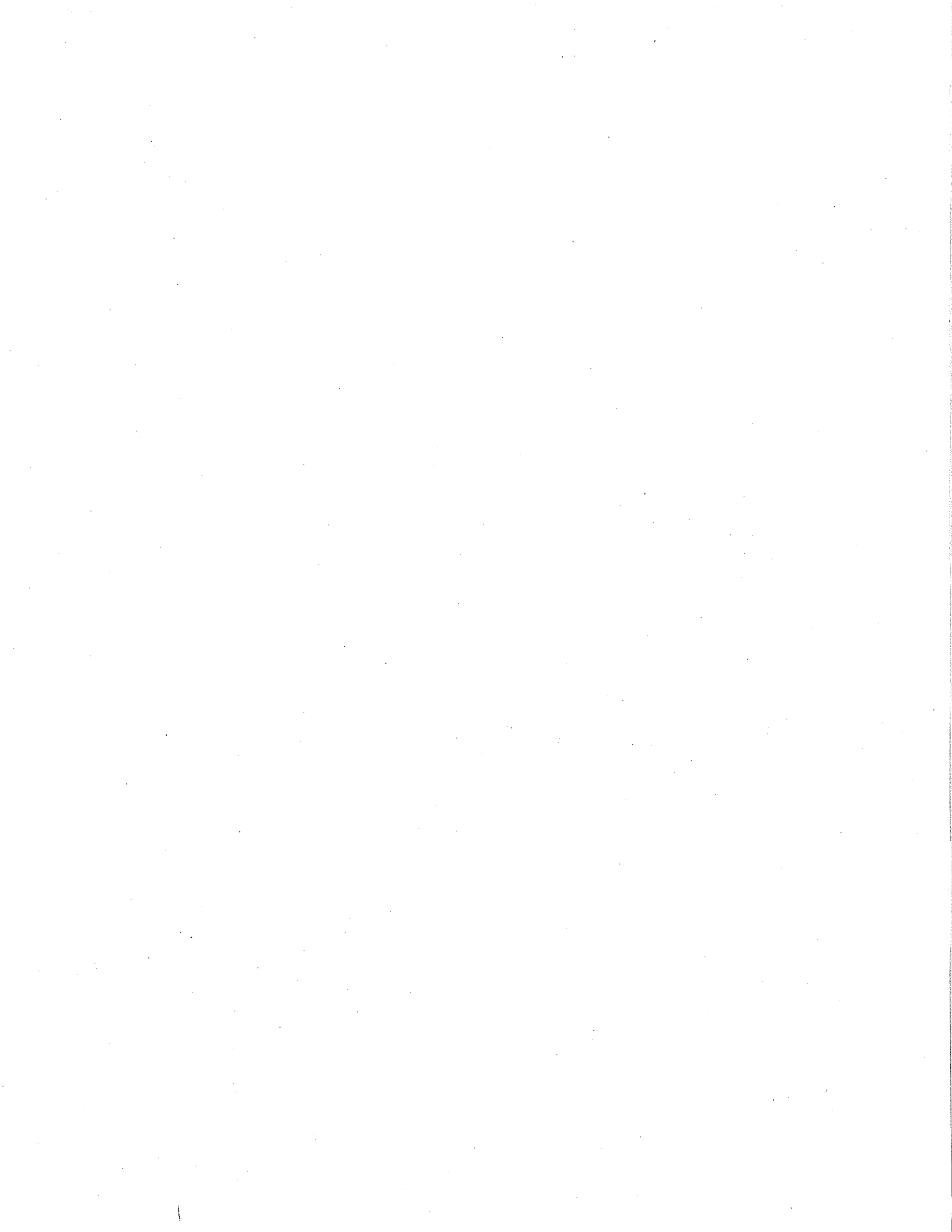
*Lee M. Spinks*

**Lee M. Spinks**

*William R. Shenton*

**William R. Shenton**

cc: Gastroenterology East, P.A., Attn: Jack Cole, M.D.



# Exhibit A



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

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Drexdal Pratt  
Division Director

March 11, 2014

S. Todd Hemphill  
3105 Glenwood Avenue, Suite 300  
Raleigh, North Carolina 27612

**No Review**

Facility: Hugh Chatham Memorial Nursing Center  
Project Description: Transfer by Hugh Chatham Memorial Hospital, Inc. (HCMH) of 100% of its ownership interests in Hugh Chatham Memorial Nursing Center to Hugh Chatham Nursing Center, LLC, a wholly-owned subsidiary of HCMH and license it separately from the hospital  
County: Surry  
FID #: 955375

Dear Mr. Hemphill:

The Certificate of Need Section (CON Section) received your letter of February 18, 2014, regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

Moreover, you need to contact the Acute and Home Care Licensure and Certification Section and the Nursing Home Licensure and Certification Section of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.



**Certificate of Need Section**

[www.ncdhhs.gov](http://www.ncdhhs.gov)

Telephone: 919-855-3873 • Fax: 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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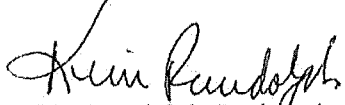




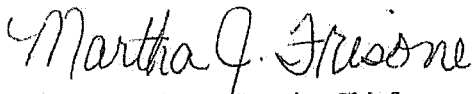
S. Todd Hemphill  
March 11, 2014  
Page 2

Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,



Kim Randolph, Project Analyst



Martha J. Frisone, Interim Chief  
Certificate of Need Section

cc: Acute and Home Care Licensure and Certification Section, DHSR  
Nursing Home Licensure and Certification Section, DHSR  
Medical Facilities Planning Branch, DHSR



# Exhibit B



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

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

July 12, 2016

Denise Gunter  
380 Knollwood Street, Suite 530  
Winston-Salem, NC 27103

**No Review**

**Record #:** 1982  
**Facility Name:** Atlantic Surgicenter, LLC  
**FID #:** 040149  
**Business Name:** Atlantic Surgicenter, LLC  
**Business #:** 117  
**Project Description:** Transfer 100% ownership interest to New Hanover Regional Medical Center  
**County:** New Hanover

Dear Ms. Gunter:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of July 7, 2016 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

However, you need to contact the Agency's Acute and Home Care Licensure and Certification Section to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented in your correspondence. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the



**Healthcare Planning and Certificate of Need Section**

[www.ncdhhs.gov](http://www.ncdhhs.gov)

Telephone: 919-855-3873 • Fax: 919-715-4413

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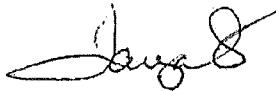


Denise Gunter  
July 12, 2016  
Page 2

original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Tanya S. Rupp  
Project Analyst



Martha J. Frisone,  
Assistant Chief, Certificate of Need

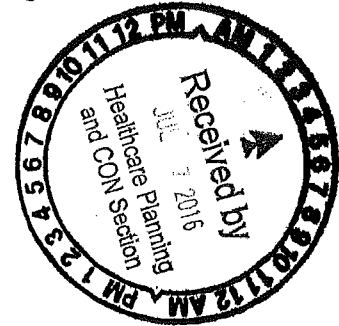
cc: Construction Section, DHSR  
Acute and Home Care Licensure and Certification Section, DHSR  
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

# Nelson Mullins

Nelson Mullins Riley & Scarborough LLP  
Attorneys and Counselors at Law  
380 Knollwood Street / Suite 530 / Winston-Salem, NC 27103  
Tel: 336.774.3300 Fax: 336.774.3372  
www.nelsonmullins.com

Denise M. Gunter  
Tel: 336.774.3322  
Fax: 336.774.3372  
denise.gunter@nelsonmullins.com

July 7, 2016



## Hand Delivered

Martha J. Frisone  
Assistant Chief  
North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section  
809 Ruggles Drive  
Raleigh, North Carolina 27603

Re: <sup>busid 117/NA 1962</sup> Atlantic Surgicenter, LLC  
Project I.D.: O-6984-04 (original CON) and O-7760-06 (cost overrun)  
County: New Hanover  
HSA: V  
FID: 040149

Dear Ms. Frisone:

Atlantic Surgicenter, LLC ("Atlantic") is an ambulatory surgery center ("ASC") with four operating rooms located at 9104 Market Street in Wilmington, North Carolina. The ASC has been in operation since November 2007. Atlantic is a joint venture limited liability company with two members: New Hanover Regional Medical Center ("NHRMC") and Wilmington Physicians, LLC ("Physicians"). When Atlantic was formed, NHRMC owned 40% of the membership interests and the Physicians owned 60% of the membership interests. Over time, through additional capital contributions, NHRMC's ownership interest in Atlantic has increased to approximately 46% with the Physicians now owning approximately 54% of the membership interests in Atlantic.

The ASC was originally operated as a freestanding ASC. Due to changes in reimbursement, NHRMC and the Physicians decided to convert the ASC to a hospital outpatient department ("HOPD") of NHRMC. In September 2012, Atlantic requested and received a material compliance determination that the conversion to HOPD status was in

Martha J. Frisone  
July 7, 2016  
Page 2

material compliance with the representations in the CONs issued for Atlantic. The material compliance request and the material compliance determination are attached as Exhibits A and B, respectively. Exhibit A contains the CONs issued for the ASC.

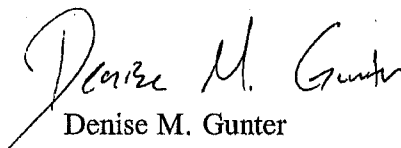
The Physicians have now decided to sell their membership interests in Atlantic to NHRMC, so NHRMC will own 100% of Atlantic. The holders of the CONs (Atlantic and SENCA Properties, LLC) will not change. The location of the ASC will not change. The number of ORs in the ASC will not change. The scope of services provided in the ASC will not change. The only change proposed is to reconfigure the membership interests of Atlantic.

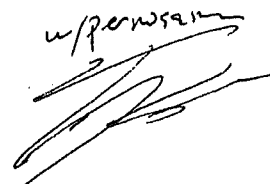
The Department has previously determined that acquisition of membership interests in a limited liability company does not require a CON. See, e.g., Exhibit C and examples cited therein.

Since NHRMC's proposed acquisition of the Physicians' membership interests will not impact the holders of the CON, the location of the ASC, the number of ORs in the ASC or the scope of services provided in the ASC, we respectfully request the CON Section's written confirmation that NHRMC's acquisition of the Physicians' membership interests in Atlantic is in material compliance with the CONs issued for Project I.D. No. O-6984-04 and Project I.D. No. O-7760-06.

Thank you for your time and consideration.

Sincerely,

  
Denise M. Gunter

*w/pencsamy*  


Enclosures





# Exhibit C



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

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

June 1, 2016

Catharine W. Cumber  
3100 Tower Blvd  
Suite 1300  
Durham, NC 27707

**Exempt from Review – Acquisition of Facility**


Record #: 1951  
Facility Name: Triangle Endoscopy Center  
Type of Facility: Ambulatory Surgery  
FID #: 061486  
Acquisition by: Duke University Health System  
Business #: 639  
County: Durham


Dear Ms. Cumber:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of May 23, 2016, the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(a)(8). Therefore, Duke University Health System may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Agency's Acute and Home Care Licensure and Certification Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to G.S. 131E-181(b): "A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need."

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

  
Bernetta Thorne-Williams  
Project Analyst

  
Martha J. Frisone  
Assistant Chief, Certificate of Need

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



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-715-4413

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No Review # 1951  
Business # 639 ..

 **Duke University Health System**

Catharine W. Cummer  
Regulatory Counsel, Strategic Planning

May 23, 2016

Via Electronic Mail



Ms. Martha Frisone  
Ms. Bernetta Thorne-Williams  
Certificate of Need Section  
Division of Health Service Regulation  
2704 Mail Service Center  
Raleigh, NC 27699-2704

Re: Notice of acquisition/change in ownership – Triangle Endoscopy Center  
License No. AS00085

Dear Ms. Frisone and Ms. Thorne-Williams:

The purpose of this letter is to provide prior written notice of the purchase of an equity interest in the limited liability company that owns the Triangle Endoscopy Center, a licensed ambulatory surgery center with four endoscopy rooms located in Durham, North Carolina, and the subsequent corporate reorganization of that LLC. We request confirmation that this set of transactions is exempt from or otherwise does not require certificate of need review.

Duke Affiliations Network, Inc., a subsidiary of Duke University Health System, plans to purchase a controlling interest in Triangle Endoscopy Center, LLC, which owns the Triangle Endoscopy Center. Upon closing or shortly thereafter, that corporate entity, which is currently organized in Tennessee, will be converted to a North Carolina limited liability company and renamed Duke Triangle Endoscopy Center. The facility itself will continue to operate as it does presently under the ownership of this new corporate entity.

We understand that the CON Section has historically interpreted the acquisition of an equity interest in the owner of a health service facility not to constitute a new institutional health service requiring a CON. Furthermore, to the extent that the subsequent reorganization of Triangle Endoscopy Center, LLC, as a North Carolina LLC would constitute the acquisition of the endoscopy ambulatory surgery facility by a new owner, North Carolina law provides that the acquisition of "an existing health service facility, including equipment owned by the health service facility at the time of the acquisition," is exempt from CON review. N.C. Gen. Stat. § 131E-184(a)(8).

Ms. Martha Frisone  
Ms. Bernetta Thorne-Williams  
May 23, 2016  
Page 2

As a licensed ambulatory surgery center, Triangle Endoscopy Center is an existing health service facility. N.C. Gen. Stat. § 131E-176(9b). Therefore, we understand that these transactions do not constitute a new institutional health service and/or are exempt from certificate of need review. We will separately communicate with the Acute and Home Care Licensure and Certification Section regarding this change in ownership.

The parties currently plan to close the equity acquisition transaction on or about June 1, 2016. It would be very helpful if you could provide written confirmation that these transactions do not require a CON as soon as possible. If you have questions about this information, please let me know. Thank you for your attention to this request.

Very truly yours,



Catharine W. Cummer

D

# Exhibit D



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

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

January 21, 2016

Jazett Shivers  
704 WH Smith Boulevard  
Greenville, NC 27834

**No Review**

**Record #:** 1837  
**Facility Name:** Carolina Digestive Diseases, PA  
**FID #:** 080081  
**Project Description:** Change in ownership interest  
**County:** Pitt

Dear Ms. Shivers:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of January 15, 2016 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

However, you need to contact the Agency's Acute and Home Care Licensure and Certification Section to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented in your correspondence. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.



**Healthcare Planning and Certificate of Need Section**

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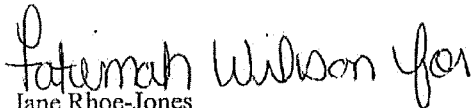
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Ms. Shivers  
January 21, 2016  
Page 2

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,

  
Jane Rhoe-Jones  
Project Analyst

  
Martha J. Frisone,  
Assistant Chief, Certificate of Need

cc: Acute and Home Care Licensure and Certification Section, DHR





**Carolina Digestive Diseases**

**Fax Cover Sheet**

To: Jane Rhee-Jones Fax: 919-715-4413

From: Jarett Shivers Date: 1/15/16

RE: Change of ownership Pages: # 1 to follow cover

Notes: No Review letter

*Please see the following letter of no review.*

*Hard copy to follow in the mail.*

*Please Expedite!*



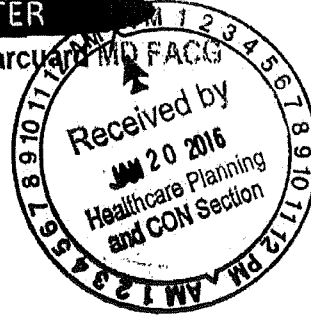
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*HIPAA Document 14  
Revised 06/21/2010*



# Carolina Digestive Diseases & ENDOSCOPY CENTER

Phillip J. Goldstein MD • Stefan P. Marcuard MD FACG



January 15, 2016

RE: Letter of No Review for Change of Ownership  
Carolina Digestive Diseases, PA  
CON ID #Q-7770-06

FID # 080081

We are requesting a change of ownership for our endoscopy center, as named above. Dr. Stefan Marcuard has been the owner of the center, but he has sold his share of the practice to his partner physician on staff, Dr. Phillip Goldstein, effective January 1, 2016.

There will be no change at all in our day to day operations of our facility. We have only 2 operating endoscopy rooms, as per our original CON, and there have been no equipment additions. The only change that has occurred is the name of the owner, who is now Dr. Phillip Goldstein.

Please respond with confirmation that this is in fact a no review. We would like to have this request expedited as well.

Thank you for your time and assistance in this matter,

Jazett Shivers, Administrator  
Carolina Digestive Diseases, PA