



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

April 16, 2020

Robert Bashore

[rbashore@gatewayasc.com](mailto:rbashore@gatewayasc.com)

**Exempt from Review**

**Record #:** 3261  
**Facility Name:** Gateway Surgery Center  
**FID #:** 060202  
**Business Name:** Gateway Ambulatory Surgery Center, LLC  
**Business #:** 822  
**Project Description:** Replace steam system (boiler and steam lines)  
**County:** Cabarrus

Dear Mr. Bashore:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of **April 14, 2020**, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(4). Therefore, you may proceed to offer, develop, or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification Sections 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 Agency. 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.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Julie M. Faenza  
Project Analyst

Martha J. Frisone  
Chief

cc: Construction Section, DHSR  
Acute and Home Care Licensure and Certification Section, DHSR  
Nancy Lane ([nlane@pda-inc.net](mailto:nlane@pda-inc.net))

**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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

## Faenza, Julie M

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**From:** Nancy Lane <nlane@pda-inc.net>  
**Sent:** Tuesday, April 14, 2020 1:51 PM  
**To:** Faenza, Julie M  
**Cc:** Robert Bashore  
**Subject:** RE: [External] Exemption letter for Gateway boiler and humidity lines  
**Attachments:** Signed Boiler exemption.pdf

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Good Afternoon Julie,  
Attached on behalf of Gateway Surgery Center is an exemption request for replacement of the boiler and humidity lines. Please do not hesitate to contact us should you have questions. We appreciate your help during these unique times.

Regards,  
Nancy

Nancy M. Lane  
President  
**PDA, Inc**  
2016 Cameron Street  
P.O. Box 12844  
Raleigh NC 27605

919-754-0303 (o)  
919-754-0328 (fax)

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**From:** Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>  
**Sent:** Tuesday, April 14, 2020 11:41 AM  
**To:** Nancy Lane <nlane@pda-inc.net>  
**Subject:** RE: [External] Exemption letter for Gateway boiler and humidity lines

Sure. I'm here until around 4pm.

**Julie M. Faenza, Esq.**  
Pronouns: She/her/hers  
Project Analyst, Certificate of Need  
Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section  
North Carolina Department of Health and Human Services

919 855 3873 office  
[Julie.Faenza@dhhs.nc.gov](mailto:Julie.Faenza@dhhs.nc.gov)

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**From:** Nancy Lane <[nlane@pda-inc.net](mailto:nlane@pda-inc.net)>

**Sent:** Tuesday, April 14, 2020 11:12 AM

**To:** Faenza, Julie M <[Julie.Faenza@dhhs.nc.gov](mailto:Julie.Faenza@dhhs.nc.gov)>

**Subject:** [External] Exemption letter for Gateway boiler and humidity lines

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Hi Julie

I am about to submit an exemption letter for this Gateway Surgery Center project, but wanted to run it by you first. Would you have time for a call?

Thanks

Nancy

Nancy M. Lane

President

**PDA, Inc**

2016 Cameron Street

P.O. Box 12844

Raleigh NC 27605

919-754-0303 (o)

919-754-0328 (fax)

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April 14, 2020

Ms Martha Frisone  
Chief, Healthcare Planning and Certificate of Need Section  
Julie Faenza, CON Analyst  
Division of Health Service Regulation/ DHSR  
809 Ruggles Drive  
Raleigh, NC 27603  
[Martha.Frisone@dhhs.nc.gov](mailto:Martha.Frisone@dhhs.nc.gov)  
[Julie.Faenza@dhhs.nc.gov](mailto:Julie.Faenza@dhhs.nc.gov)

**RE: Request for Exemption from CON Review for Basic Plant and Mechanical improvements  
Gateway Surgery Center, Concord/ Cabarrus County Facility ID 060202.**

Dear Ms. Frisone

Gateway Ambulatory Surgery Center, LLC plans to update the steam system at Gateway Surgery Center, an ambulatory surgery center License No. AS0070. On behalf of Gateway Ambulatory Surgery Center, LLC, I am requesting that the Agency confirm that this planned investment is exempt from review under the statutory exemption provisions in N.C. Gen. Stat. § 131E-184(a)(4).

The planned investment will replace the boiler and humidifier lines, maintaining a parallel system while the surgery center continues operations. This investment is necessary for continued operations and conformity with construction codes and is not integral to construction of a new institutional health service.

**Exempt from Review**

Pursuant to N.C.G.S. § 131 E-1 84(a) (4), *"the Department shall exempt from certificate of need review a new institutional health service if it receives prior written notice from the entity proposing the new institutional health service if it receives prior written notice from the entity proposing the new institutional health service, which notice includes an explanation of why the new institutional health service is required for any of the following:*

*(4) To provide parking, heating or cooling systems, elevators, or any other basic plant or mechanical elements, unless these activities are integral portions of a project that involves the construction of a new health service facility or portions thereof and that is subject to certificate of need review.*

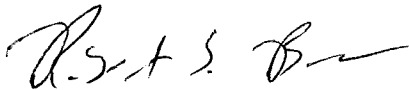
The planned improvement project meets the applicable conditions set forth above:

- The project involves replacement of a boiler and steam lines that are inefficient for current operations. The original designs did not anticipate current demands for steam sterilization and the humidity lines are related.
- The capital expenditure will not result in a change in bed capacity or the addition of a health service facility or any other new institutional health service other than that allowed by G.S 131E-176(16)(b).
- This letter constitutes the required prior written notice.

Based on the foregoing, we respectfully request that the Healthcare Planning and Certificate of Need Section issue written confirmation that this project is exempt from Certificate of Need review under N.C.G.S § 131 E-184(a)4.

If you have any questions about this project, please contact me at (704) 920-7020.

Sincerely,



Robert S. Bashore  
Administrator  
Gateway Ambulatory Surgery Center, LLC

cc: Dr. F.P. Johns Langford, Gateway President of Board of Managers  
Dr. William Goglin, Gateway Medical Director  
Herbie Hames, Criterion Healthcare  
Nancy Lane, PDA