



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

October 12, 2023

Anthony Del Rio

Anthony.delrio@kirkland.com

No Review

Record #: See Attachment A

Date of Request: October 6, 2023

Facility Name: See Attachment A

FID #: See Attachment A

Project Description: Change in ownership structure of the parent company

County: See Attachment A

Dear Anthony Del Rio:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence regarding the project described above. Based on the CON law **in effect on the date of this response to your request**, the project as described is not governed by, and therefore, does not currently require a certificate of need. 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.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office.

Please do not hesitate to contact this office if you have any questions.

Sincerely,

Crystal Kearney
Project Analyst

Micheala Mitchell
Chief

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

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

Attachment A

Record #	Name of Facility	County	FID
4284	Raleigh Endoscopy Center	Wake	923422
4285	Raleigh Endoscopy Center - North	Wake	061469
4286	Raleigh Endoscopy Center – Cary	Wake	070496
4287	Guilford Endoscopy Center	Guilford	060856
4288	The Surgical Center of Morehead City	Carteret	954590
4289	Triangle Endoscopy Center	Durham	061486

KIRKLAND & ELLIS LLP
AND AFFILIATED PARTNERSHIPS



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United States

+1 312 862 2000

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Facsimile:
+1 312 862 2200

Via Federal Express & E-mail

October 3, 2023

Micheala Mitchell, Chief
Healthcare Planning and Certificate of Need Section
N.C. Department of Health and Human Services
Division of Health Service Regulation
2704 Mail Service Center Raleigh, NC 27699-2704
micheala.mitchell@dhhs.nc.gov

RE: Request for No Review Determination / Transfer of Indirect Ownership Interest of NC Endoscopy Centers

- 1 Raleigh Endoscopy Center, License No. AS0056
- 2 Raleigh Endoscopy Center-North, License No. AS0082
- 3 Raleigh Endoscopy Center-Cary, License No. AS0102
- 4 Guilford Endoscopy Center, License No. AS0113
- 5 The Surgical Center of Morehead City, License No. AS0061
- 6 Triangle Endoscopy Center, License No. AS0085

To Whom It May Concern:

We represent the above referenced license holders (the “Licenses”), and this notice is to advise you of an upcoming change of control of the indirect equityholders of the Licenses, several entities up the corporate chain from the Licenses. Copies of the current licenses for the Licenses are attached as Appendix A.

The Licenses are currently indirectly owned, in part, by Envision Healthcare Corporation (“EHC”, and together with certain of its affiliates, “Envision”). With the support of Envision’s existing equityholders and holders of a substantial majority of Envision’s debt, on May 15, 2023, Envision filed for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 1532, in the Bankruptcy Court for the Southern District of Texas (“Bankruptcy Court”). As part of this bankruptcy, Pacific Investment Management Company, LLC (“PIMCO”) and other creditors (collectively, with PIMCO, the “AmSurg 2Ls”), which are the current holders of certain debt of AmSurg, LLC (“AmSurg”), an indirect subsidiary of EHC, will become the indirect owners of AmSurg through Ambulatory TopCo, LLC (“New Owner”) (the “Restructuring”). The Restructuring, which remains subject to Bankruptcy Court approval, is expected to be consummated in the fourth quarter of 2023.

The AmSurg 2Ls fully support the Restructuring and have committed funds and agreed to extinguish debt, among other forms of support, in order to best position AmSurg’s financial strength for future success. New Owner is expected to be governed by a board of directors, a majority of which is expected to be selected by PIMCO, but the specific post-emergence structures of AmSurg and New Owner have not yet been

KIRKLAND & ELLIS LLP

October 3, 2023

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determined. However, in all proposed structure options, the change of control will result in an indirect change of ownership of the Licensees. The final structure is expected to be determined on or about the end of October 2023. Structure charts depicting the high-level, indirect ownership structure options of the Licensees are set forth on Appendix B.

The Restructuring is not expected to result in any change to the Licensee's direct owner, federal tax ID number, facilities, management or operations. Services provided by the Licensee will remain the same and continue in the ordinary course.

We believe that the above-mentioned Restructuring is not a "new institutional health service" within the meaning of N.C. Gen. Stat. § 131E-176(16) which would require a certificate of need ("CON") review and approval, because the direct owner of each Licensee will not change. Based on that statutory definition and multiple previous CON Section determinations, a change in ownership or control of an indirect owner of a health service facility is a not new institutional health service which requires a CON.

However, even if the Healthcare Planning and Certification of Need Section (the "CON Section") were to conclude that the Restructuring is a reviewable acquisition of an existing health service facility, then please accept this letter as a notice of exemption pursuant to N.C. Gen. Stat. § 131E-184(a)(8). As you are aware, N.C. Gen. Stat. § 131E-184(a)(8) provides that upon receiving prior written notice from an entity that it will "acquire an existing health service facility, including equipment owned by the health service facility at the time of the acquisition," the CON Section "shall" exempt such project from CON review. Each of the Licensees above is an existing health service facility within the meaning of the CON law. See N.C. Gen. Stat. § 131E-176(9b).

We request that you provide a letter or e-mail confirming that our interpretation of the CON law and applicable rules is correct and that this proposal is not a new institutional health service, or in the alternative, that the proposed transaction is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(8).

We thank you in advance for your consideration and assistance as the parties navigate through the bankruptcy process. If you have any questions or concerns, please contact me at 312-862-4210 or via email Anthony.delrio@kirkland.com.

Very truly yours,



Name: Anthony Del Rio

Title: Partner

Appendix A

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

Effective January 1, 2023, this license is issued to

The Raleigh NC Endoscopy ASC, LLC

to operate an ambulatory surgical clinic known as

Raleigh Endoscopy Center

located at 2417 Atrium Drive, Suite 101

Raleigh, NC 27607

County: Wake

*This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire
midnight December 31, 2023*


Facility ID: 923422

License Number: AS0056

Surgical Operating Rooms: 0

Endoscopy Rooms: 4

Authorized by:


Secretary, N.C. Department of Health and
Human Services




Director, Division of Health Service Regulation

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 1, 2023, this license is issued to

The Raleigh NC Endoscopy ASC, LLC

to operate an ambulatory surgical clinic known as

Raleigh Endoscopy Center - North

located at 8300 Health Park, Suite 210

Raleigh, NC 27615

County: Wake

*This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire
midnight December 31, 2023*

Facility ID: 061469

License Number: AS0082

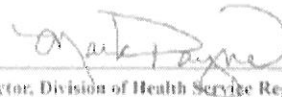
Surgical Operating Rooms: 0

Endoscopy Rooms: 3

Authorized by:



Secretary, N.C. Department of Health and
Human Services



Director, Division of Health Service Regulation

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 1, 2023, this license is issued to
The Raleigh NC Endoscopy ASC, LLC
to operate an ambulatory surgical clinic known as
Raleigh Endoscopy Center - Cary

located at 1505 SW Cary Parkway; Suite 202
Cary, NC 27511
County: Wake

This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire
midnight December 31, 2023

Facility ID: 070496

License Number: AS0102

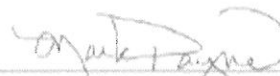
Surgical Operating Rooms: 0

Endoscopy Rooms: 4

Authorized by:



Secretary, N.C. Department of Health and
Human Services



Director, Division of Health Service Regulation

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 1, 2023, this license is issued to
Greensboro NC Endoscopy ASC, LLC
to operate an ambulatory surgical clinic known as
Guilford Endoscopy Center

located at 1593 Yanceyville Street
Greensboro, NC 27405
County: Guilford

This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire
midnight December 31, 2023

Facility ID: 060856

License Number: AS0113


Surgical Operating Rooms: 0

Endoscopy Rooms: 2

Authorized by:



Secretary, N.C. Department of Health and
Human Services



Director, Division of Health Service Regulation

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 1, 2023, this license is issued to

Center of Morehead City, LLC

to operate an ambulatory surgical clinic known as

The Surgical Center of Morehead City

*located at 3714 Guardian Avenue, Suite W
Morehead City, NC 28557
County: Carteret*

*This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire
midnight December 31, 2023*

Facility ID: 954590

License Number: AS0061

Surgical Operating Rooms: 2

Endoscopy Rooms: 1

Authorized by:



Secretary, N.C. Department of Health and
Human Services



Director, Division of Health Service Regulation

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 1, 2023, this license is issued to

Duke Triangle Endoscopy Center, LLC

to operate an ambulatory surgical clinic known as

Triangle Endoscopy Center

located at 249 East NC Hwy 54, Suite 210

Durham, NC 27713

County: Durham

*This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire
midnight December 31, 2023*

Facility ID: 061486

License Number: AS0085

Surgical Operating Rooms: 0

Endoscopy Rooms: 4

Authorized by:

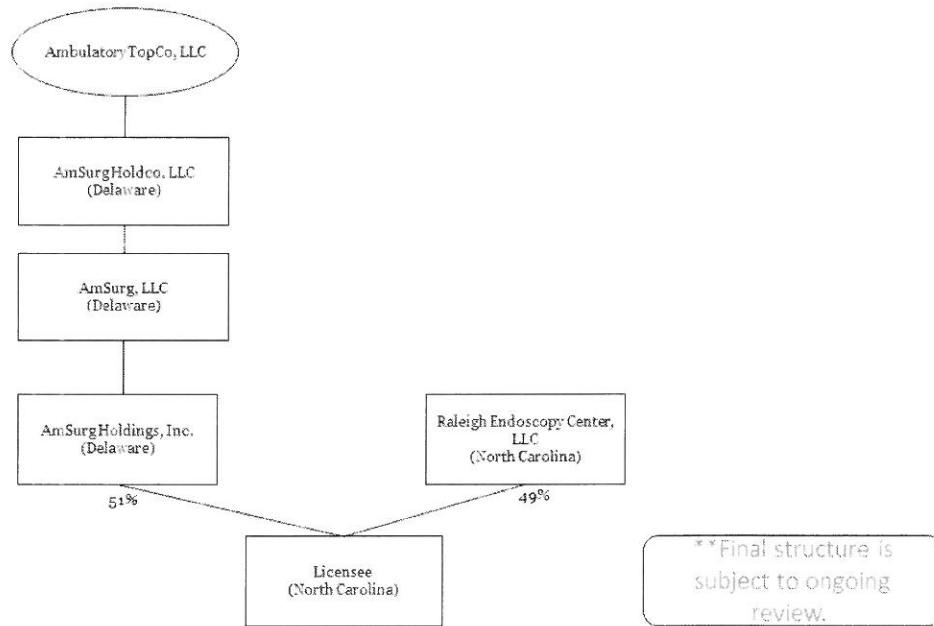


Secretary, N.C. Department of Health and
Human Services

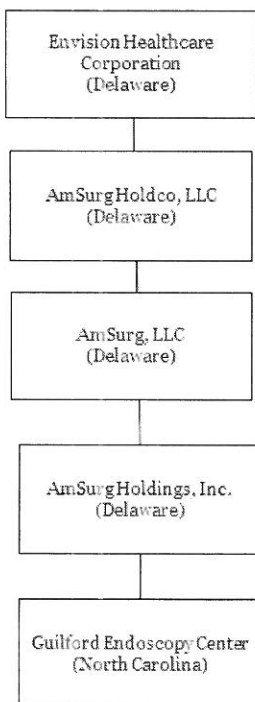


Director, Division of Health Service Regulation

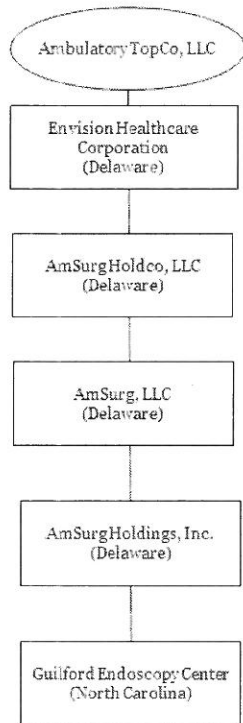
After Reorganization Option 2**



Before Reorganization: Guilford Endoscopy Center

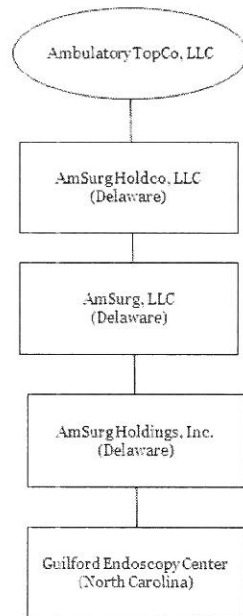


After Reorganization Option 1**



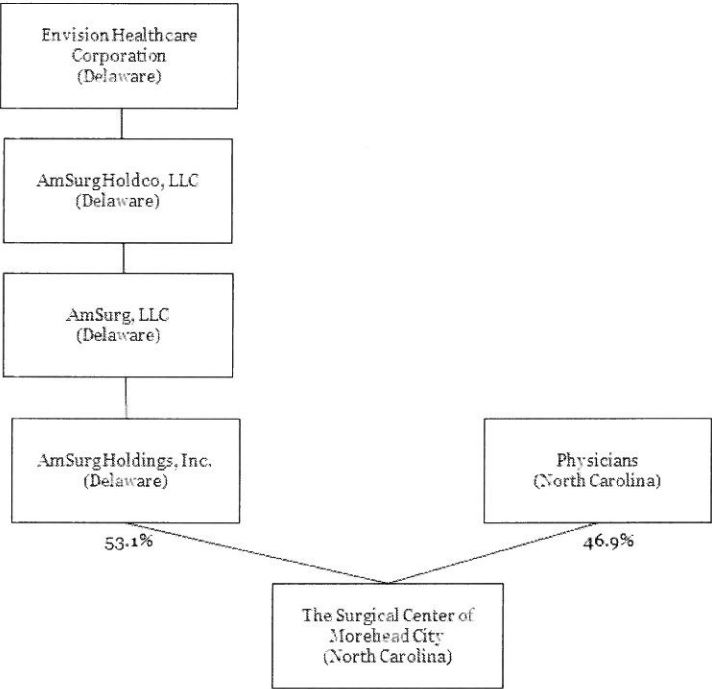
**Final structure is subject to ongoing review.

After Reorganization Option 2**

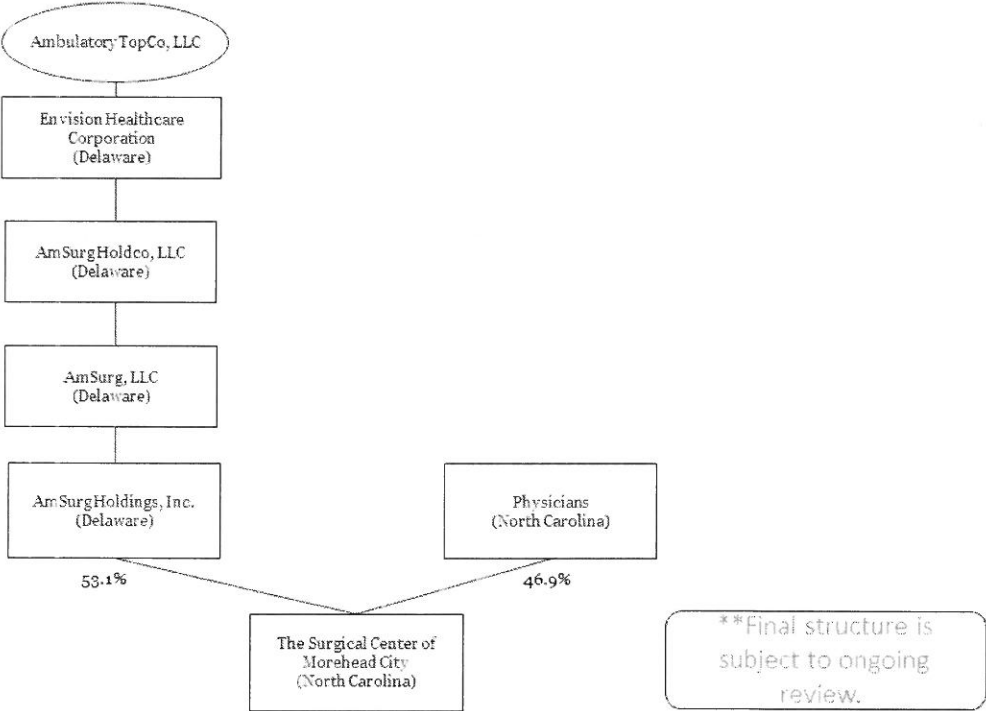


**Final structure is subject to ongoing review.

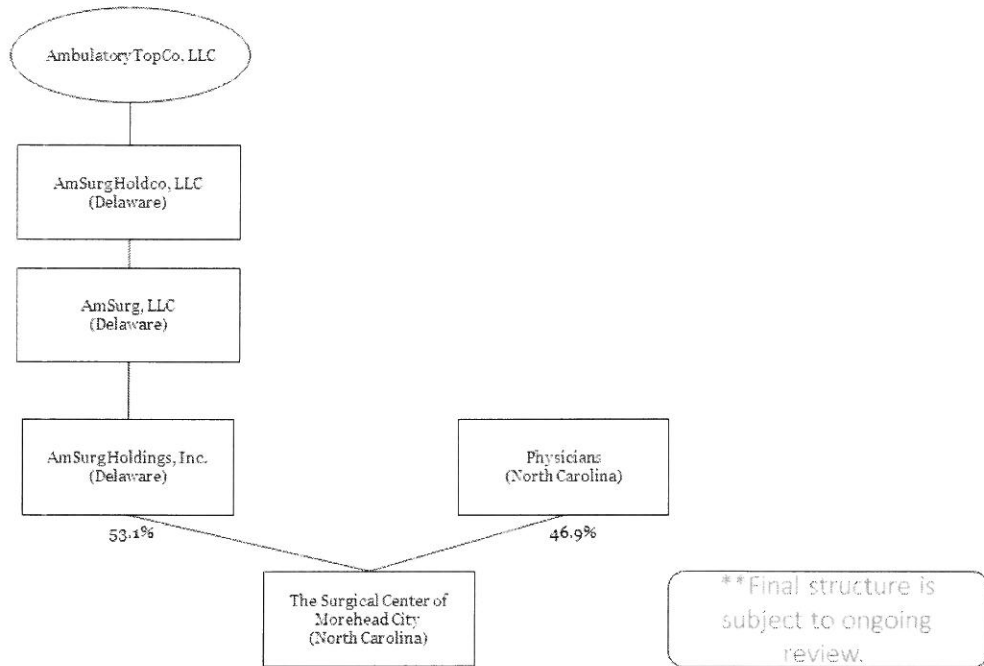
Before Reorganization: The Surgical Center of Morehead City



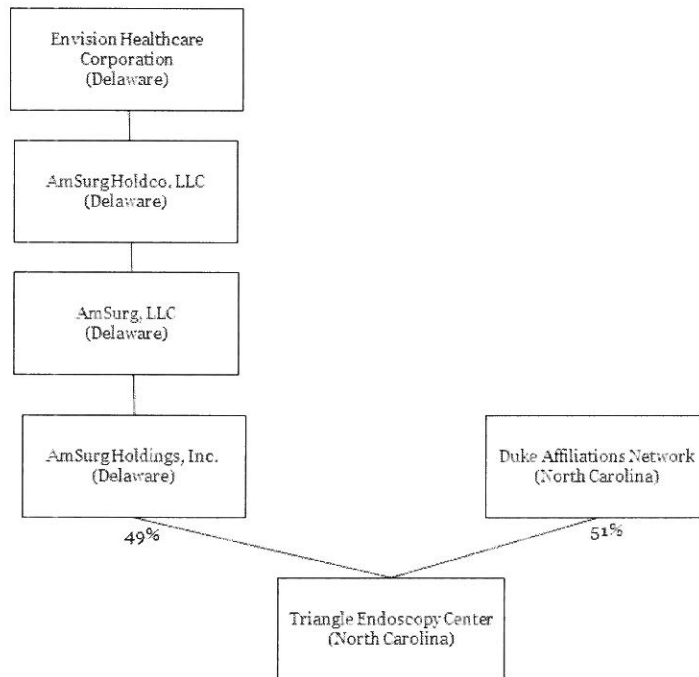
After Reorganization Option 1**



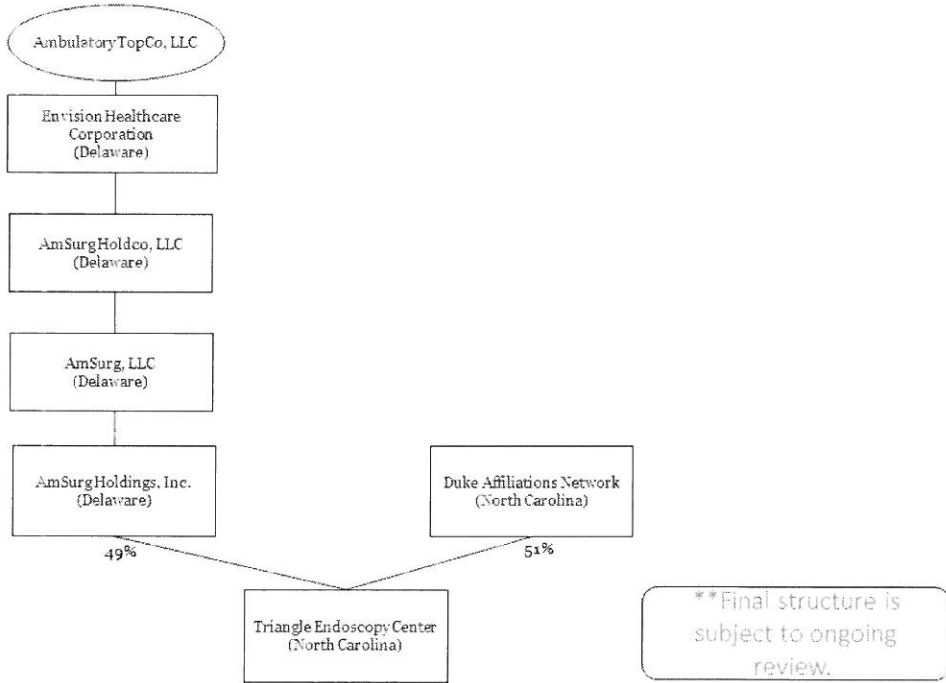
After Reorganization Option 2**



Before Reorganization: Triangle Endoscopy Center



After Reorganization Option 1**



After Reorganization Option 2**

