



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN • Governor
DEV DUTTA SANGVAI • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

December 30, 2025

Gary S. Qualls
Gary.qualls@klgates.com

No Review

Record #: 5043
Date of Request: December 18, 2025
Facility Name: Atrium Health Lincoln
FID #: 070062
Business Name: The Charlotte-Mecklenburg Hospital Authority
Business #: 1770
Project Description: Intra-corporate reorganization related to ownership and operation interests
County: Lincoln

Dear Mr. Qualls:

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 representation in your request and 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. As a reminder, it is unlawful to offer or develop a new institutional health service without first obtaining a certificate of need. The Department reserves the right to impose sanctions, including civil penalties and the revocation of a license, upon any entity that offers or develops a new institutional health service without first obtaining a certificate of need.

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

LOCATION: 1915 Health Services Way, Raleigh, NC 27607
MAILING ADDRESS: 1915 Health Services Way, 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhs.gov/dhsr • TEL: 919-855-3873

Gary S. Qualls
December 30, 2025
Page 2

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

Sincerely,

Gloria C. Hale

for
Gregory F. Yakaboski
Project Analyst

Micheala Mitchell

Micheala Mitchell
Chief

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

December 18, 2025

Gary S. Qualls
D 919.466.1182
F 919.516.2072
gary.qualls@klgates.com

VIA E-MAIL

Micheala Mitchell
Chief, Certificate of Need
NCDHHS, Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
1915 Health Services Way
Raleigh, North Carolina 27607

Re: No Review Request / Exemption Notice For Transfer of Certain Interests in Atrium Health Lincoln To The Related Entity of Atrium Health Hospitals, Inc., a CMHA Subsidiary

Dear Ms. Mitchell:

We write to inform you of a transaction (the “Transaction”) where The Charlotte-Mecklenburg Hospital Authority (“CMHA”) plans to, effective February 1, 2026, transfer certain interests in Atrium Health Lincoln (the “Hospital”) to Atrium Health Hospitals, Inc. (“AHH”), a CMHA subsidiary. For this Request, I represent CMHA, AHH, and Atrium Health Denver ASC, LLC (all related parties). The Transaction will entail the following proposed changes at Atrium Health Lincoln:

1. CMHA will transfer operations of the Hospital to AHH.
2. CMHA will transfer ownership of certain Hospital non-CON-regulated medical equipment and other assets to AHH.
3. However, CMHA will retain ownership of:
 - a. the real estate on which the Hospital is situated and the buildings housing the Hospital, and CMHA will lease the hospital space to AHH;
 - b. the CON rights to own and operate the Hospital and ownership of the equipment identified below that is CON-regulated or potentially CON-regulated.¹

¹ Some equipment may not have been CON regulated on its own. However, such equipment (or its predecessor equipment) might have once been acquired as part of a CON project.

CMHA will retain ownership of, and lease to AHH, the following Hospital equipment items:

- One (1) MRI scanner
- Two (2) CT scanners

We request that the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the “Agency”) confirm that the Transaction is either:

1. not reviewable under the North Carolina Certificate of Need (“CON”) law because the Transaction is simply an intra-organizational reorganization where the Hospital and CON ownership will not change, or (in the alternative);
2. exempt from review under the CON law’s exemption provisions in N.C. Gen. Stat. § 131E-184(a)(8).
3. Moreover, if necessary, we request the good cause transfer discussed below.

I. No Review Request

CMHA’s Transaction with AHH is not a CON reviewable event because such an event is not expressly addressed in any of the new institutional health service “CON triggers” in N.C. Gen. Stat. § 131E-176(16). Transferring the day-to-day operations of an existing health service facility is not included in the list of activities that constitute the development of a new institutional health service, requiring a CON. Nor does the transfer of non-CON regulated equipment to AHH trigger any new institutional health service definitions in the CON statute. Moreover, AHH is a subsidiary of CMHA, and thus the Transaction is entirely intra-organizational in any event.

Pursuant to the maxim of statutory construction *expressio unius est exclusio alterius*, those transactions not included in N.C. Gen. Stat. § 131E-176(16) -- such as this Transaction -- do not require a CON. See e.g., In re Miller, 357 N.C. 316, 325, 584 S.E.2d 772, 780 (2003) (stating that “[u]nder the doctrine of *expressio unius est exclusio alterius*, when a statute lists the situation to which it applies, it implies the exclusion of situations not contained in the list”); see also Jackson v. A Woman’s Choice, Inc., 130 N.C. App. 590, 594, 503 S.E.2d 422, 425 (1998) (internal citations omitted) (“[W]here a statute is explicit on its face, the courts have no authority to impose restrictions that the statute does not expressly contain.”). Therefore, we request your confirmation that the Transaction is not subject to CON review.

As precedent for such a request, the Agency has recently determined that similar AHH transactions involving other CMHA hospitals are non-reviewable events. *See* Exhibit 1 (June 9, 2025 No Review Approval of Atrium Health Stanly’s AHH Transaction) and Exhibit 2 (June 4, 2025 No Review Approval of Atrium Health Anson’s AHH Transaction). This current Transaction involving Atrium Health Lincoln is patterned after Atrium Health Stanly’s and Atrium Health Anson’s AHH Transactions.

II. Exemption Notice (If Transaction Deemed CON Reviewable)

However, if the Agency treats the Transaction as the acquisition of the Hospital (as a health service facility), and thus CON reviewable, this letter serves as an exemption notice of AHH's acquisition of the Hospital, pursuant to N.C. Gen. Stat. § 131E-184(a)(8). The General Assembly has chosen to exempt certain, otherwise reviewable, events from CON review, including the acquisition of an existing health service facility, including the equipment owned by the health service facility at the time of the acquisition. See N.C. Gen. Stat. § 184(a)(8). Under N.C. Gen. Stat. § 131E-176(9b), the Hospital constitutes a "health service facility."

Accordingly, given that the Transaction involves only the Hospital, which is an existing health service facility, even if the Agency deems the Transaction to trigger a new institutional health service definition, the Transaction is nevertheless exempt from CON review.

III. Good Cause Transfer (If Necessary) For Undeveloped Operating Room Converting to Freestanding Ambulatory Surgical Facility Status.

A CON project at the Hospital is currently under development by Atrium Health Denver ASC, LLC² d/b/a Denver Surgery Center, identified as F-12414-23 (the "Denver Surgery Center Project"). *See* CON attached hereto as Exhibit 3. That Denver Surgery Center Project entails converting the existing hospital operating room at Atrium Health East Lincoln Surgery Center to freestanding ambulatory surgical facility status, with the addition of one new procedure room and one new GI Endoscopy Room to that newly freestanding facility.

To the extent that the Transaction is considered to be a transfer of the Denver Surgery Center Project CON, we are requesting approval for a "good cause" transfer of this CON under N.C. Gen. Stat. § 131E-189. We believe that good cause exists for such a transfer (assuming it is a transfer).

Good cause exists for the Denver Surgery Center Project transfer because: (a) the larger purposes of the Transaction are wholly unrelated to the pending Denver Surgery Center Project; and (b) the operating room to be converted as part of the Denver Surgery Center Project will still convert to a freestanding ambulatory surgical facility, which will be accomplished within a relatively short time period after this AHH Transaction. In other words, the operating room to be converted will only be a part of AHH for a limited number of months before the Denver Surgery Center Project is proposed to become operational, in the second quarter of 2026.

² CMHA is the sole corporate member of Atrium Health Denver ASC, LLC.

Ms. Micheala Mitchell
December 18, 2025
Page 4

Moreover, nothing about this Transaction will affect the ability of Atrium Health Denver ASC, LLC to materially comply with any representations in its Denver Surgery Center Project CON application or the CON conditions placed on the Denver Surgery Center Project. In all material respects, the operations and development of the Denver Surgery Center Project will be the same as represented in the Denver Surgery Center Project CON application and in compliance with the issued CON.

CONCLUSION

Based upon the foregoing information, we hereby request the Agency's confirmation that the Transaction:

1. is not CON reviewable because it does not trigger any of the new institutional health service definitions, or (alternatively);
2. is exempt from CON review under N.C. Gen. Stat § 131E-184(a)(8); and
3. good cause exists, if necessary, for the transfer of the Denver Surgery Center Project.

We project that the Transaction will be effective February 1, 2026. Thank you for your assistance in regard to this matter. Please feel free to contact me at the number above if you have any questions or need further information.

Sincerely,

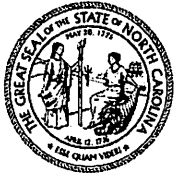


Gary S. Qualls

Exhibits

1. June 9, 2025 No Review Approval of Atrium Health Stanly's AHH Transaction (together with May 27, 2025 Request).
2. June 4, 2025 No Review Approval of Atrium Health Anson's AHH Transaction (together with May 27, 2025 Request).
3. CON for Denver Surgery Center Project (F-12414-23)

Exhibit 1



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

June 9, 2025

Gary S. Qualls

Gary.qualls@klgates.com

No Review

Record #: 4801
Date of Request: May 27, 2025
Facility Name: Atrium Health Stanly
FID #: 953472
Business Name: The Charlotte-Mecklenburg Hospital Authority
Business #: 1770
Project Description: Intra-corporate reorganization related to ownership and operation interests
County: Stanly

Dear Mr. Qualls:

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 representation in your request and 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. **As a reminder, it is unlawful to offer or develop a new institutional health service without first obtaining a certificate of need. The Department reserves the right to impose sanctions, including civil penalties and the revocation of a license, upon any entity that offers or develops a new institutional health service without first obtaining a certificate of need.**

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

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

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Gary S. Qualls
June 9, 2025
Page 2

Sincerely,

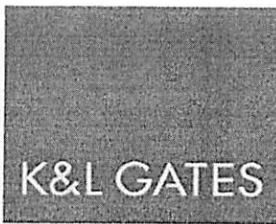


Gregory F. Yakaboski
Project Analyst



Micheala Mitchell
Chief

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



May 27, 2025

Gary S. Qualls
D 919.466.1182
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gary.qualls@klgates.com

VIA E-MAIL

Micheala Mitchell
Chief, Certificate of Need
NCDHHS, Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: No Review / Exemption Notice for Atrium Health Stanly

Dear Ms. Mitchell:

This letter is to inform you of a proposed transaction (the "Transaction") where The Charlotte-Mecklenburg Hospital Authority ("CMHA") plans to transfer certain interests in Atrium Health Stanly (the "Hospital") to Atrium Health Hospitals, Inc. ("AHH"), a CMHA subsidiary. Effective July 1, 2025, the Transaction entails the following proposed changes at Atrium Health Stanly:

1. CMHA will transfer operations of the Hospital to AHH.
2. CMHA will transfer ownership of certain Hospital non-CON-regulated medical equipment and other assets to AHH.
3. However, CMHA will retain ownership of:
 - a. the real estate on which the Hospital is situated and the buildings housing the Hospital, and CMHA will lease the hospital space to AHH;
 - b. the CON rights to own and operate the Hospital and ownership of the equipment identified below that is CON-regulated or potentially CON-regulated.¹

¹ Some equipment may not have been CON regulated on its own. However, such equipment (or its predecessor equipment) might have been acquired years ago and might have been part of a larger project. We are conservatively assuming that certain equipment might have been regulated at some point in the past, and CMHA is thus retaining ownership of such equipment to streamline this process and to avoid any doubt. This equipment demarcation is not a representation that any of the named equipment is currently CON regulated.

CMHA will retain ownership of the following Hospital equipment items:

- One (1) Linear Accelerator;
- One (1) MRI Scanner;
- Two (2) CT Scanners;
- Four (4) Ultrasound Units;
- Six (6) Combined Fluoroscopy / C-Arm Units;
- Two (2) Mammography Units;
- Two (2) Nuclear Medicine Cameras;
- Four (4) X-Ray Units; and
- One (1) Bone Density Unit.

We request that the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the "Agency") confirm that the Transaction is either:

1. not reviewable under the North Carolina Certificate of Need ("CON") law because the Transaction is simply an intra-corporate reorganization where the Hospital and CON ownership will not change, or (in the alternative);
2. exempt from review under the CON law's exemption provisions in N.C. Gen. Stat. § 131E-184(a)(8).

I. No Review Request

CMHA's Transaction with AHH is not a CON reviewable event because such an event is not expressly addressed in any of the new institutional health service "CON triggers" in N.C. Gen. Stat. § 131E-176(16). Transferring the day-to-day operations of an existing health service facility is not included in the list of activities that constitute the development of a new institutional health service, requiring a CON. Nor does the transfer of non-CON regulated equipment to AHH trigger any new institutional health service definitions in the CON statute. Moreover, AHH is a subsidiary of CMHA, and thus the Transaction is entirely intra-organizational in any event.

Pursuant to the maxim of statutory construction *expressio unius est exclusio alterius*, those transactions not included in N.C. Gen. Stat. § 131E-176(16) -- such as this Transaction -- do not require a CON. See e.g., In re Miller, 357 N.C. 316, 325, 584 S.E.2d 772, 780 (2003) (stating that "[u]nder the doctrine of *expressio unius est exclusio alterius*, when a statute lists the situation to which it applies, it implies the exclusion of situations not contained in the list"); see also Jackson v. A Woman's Choice, Inc., 130 N.C. App. 590, 594, 503 S.E.2d 422, 425 (1998) (internal citations omitted) ("[W]here a statute is explicit on its face, the courts have no authority to impose restrictions that the statute does not expressly contain.").

Therefore, we request your confirmation that the Transaction is not subject to CON review.

II. Exemption Notice (If Transaction Deemed CON Reviewable)

However, if the Agency treats the Transaction as the acquisition of the Hospital (as a health service facility), and thus CON reviewable, this letter serves as an exemption notice of AHH's acquisition of the Hospital, pursuant to N.C. Gen. Stat. § 131E-184(a)(8). The General Assembly has chosen to exempt certain, otherwise reviewable, events from CON review, including the acquisition of an existing health service facility, including the equipment owned by the health service facility at the time of the acquisition. See N.C. Gen. Stat. § 184(a)(8). Under N.C. Gen. Stat. § 131E-176(9b), the Hospital constitutes a "health service facility."

Accordingly, given that the Transaction involves only the Hospital, which is an existing health service facility, even if the Agency deems the Transaction to trigger a new institutional health service definition, the Transaction is nevertheless exempt from CON review.

CONCLUSION

Based upon the foregoing information, we hereby request the Agency's confirmation that the Transaction:

1. is not CON reviewable because it does not trigger any of the new institutional health service definitions, or (alternatively);
2. is exempt from CON review under N.C. Gen. Stat § 131E-184(a)(8).

The effective Transaction date is currently anticipated to be July 1, 2025. Thank you for your assistance in regard to this matter. Please feel free to contact me at the number above if you have any questions or need further information.

Sincerely,



Gary S. Qualls

Exhibit 2



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN • Governor
DEV DUTTA SANGVAI • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

June 4, 2025

Mr. Gary S. Qualls
Gary.qualls@klgates.com

No Review

Record #: 4794
Date of Request: May 27, 2025
Facility Name: Atrium Health Anson
FID #: 120335
Business Name: The Charlotte-Mecklenburg Hospital Authority
Business #: 1770
Project Description: Transfer of operations and sale and leaseback of medical equipment
County: Anson

Dear Mr. Qualls:

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 representation in your request and 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. As a reminder, it is unlawful to offer or develop a new institutional health service without first obtaining a certificate of need. The Department reserves the right to impose sanctions, including civil penalties and the revocation of a license, upon any entity that offers or develops a new institutional health service without first obtaining a certificate of need. Please do not hesitate to contact this office if you have any questions.

Sincerely,

[Handwritten signature of Tanya M. Saporito]

Tanya M. Saporito, Project Analyst

[Handwritten signature of Micheala Mitchell]

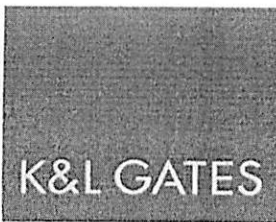
Micheala Mitchell, Chief

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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



May 27, 2025

Gary S. Qualls
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gary.qualls@klgates.com

VIA E-MAIL

Micheala Mitchell
Chief, Certificate of Need
NCDHHS, Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: No Review / Exemption Notice for Atrium Health Anson

Dear Ms. Mitchell:

This letter is to inform you of a proposed transaction (the "Transaction") where The Charlotte-Mecklenburg Hospital Authority ("CMHA") plans to transfer certain interests in Atrium Health Anson (the "Hospital") to Atrium Health Hospitals, Inc. ("AHH"), a CMHA subsidiary. Effective July 1, 2025, the Transaction entails the following proposed changes at Atrium Health Anson:

1. CMHA will transfer operations of the Hospital to AHH.
2. CMHA will transfer ownership of certain Hospital non-CON-regulated medical equipment and other assets to AHH.
3. However, CMHA will retain ownership of:
 - a. the real estate on which the Hospital is situated and the buildings housing the Hospital, and CMHA will lease the hospital space to AHH;
 - b. the CON rights to own and operate the Hospital and ownership of the equipment identified below that is CON-regulated or potentially CON-regulated.¹

¹ Some equipment may not have been CON regulated on its own. However, such equipment (or its predecessor equipment) might have been acquired years ago and might have been part of a larger project. We are conservatively assuming that certain equipment might have been regulated at some point in the past, and CMHA is thus retaining ownership of such equipment to streamline this process and to avoid any doubt. This equipment demarcation is not a representation that any of the named equipment is currently CON regulated.

CMHA will retain ownership of, and lease to AHH, the following Hospital equipment items:

- One (1) CT Scanner;
- One (1) Ultrasound Unit;
- One (1) Mammography Unit;
- Two (2) Fixed X-Ray Units; and
- One (1) C-Arm Unit.

We request that the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the "Agency") confirm that the Transaction is either:

1. not reviewable under the North Carolina Certificate of Need ("CON") law because the Transaction is simply an intra-corporate reorganization where the Hospital and CON ownership will not change, or (in the alternative);
2. exempt from review under the CON law's exemption provisions in N.C. Gen. Stat. § 131E-184(a)(8).

I. No Review Request

CMHA's Transaction with AHH is not a CON reviewable event because such an event is not expressly addressed in any of the new institutional health service "CON triggers" in N.C. Gen. Stat. § 131E-176(16). Transferring the day-to-day operations of an existing health service facility is not included in the list of activities that constitute the development of a new institutional health service, requiring a CON. Nor does the transfer of non-CON regulated equipment to AHH trigger any new institutional health service definitions in the CON statute. Moreover, AHH is a subsidiary of CMHA, and thus the Transaction is entirely intra-organizational in any event.

Pursuant to the maxim of statutory construction *expressio unius est exclusio alterius*, those transactions not included in N.C. Gen. Stat. § 131E-176(16) -- such as this Transaction -- do not require a CON. See e.g., In re Miller, 357 N.C. 316, 325, 584 S.E.2d 772, 780 (2003) (stating that "[u]nder the doctrine of *expressio unius est exclusio alterius*, when a statute lists the situation to which it applies, it implies the exclusion of situations not contained in the list"); see also Jackson v. A Woman's Choice, Inc., 130 N.C. App. 590, 594, 503 S.E.2d 422, 425 (1998) (internal citations omitted) ("[W]here a statute is explicit on its face, the courts have no authority to impose restrictions that the statute does not expressly contain.").

Therefore, we request your confirmation that the Transaction is not subject to CON review.

II. Exemption Notice (If Transaction Deemed CON Reviewable)

However, if the Agency treats the Transaction as the acquisition of the Hospital (as a health service facility), and thus CON reviewable, this letter serves as an exemption notice of AHH's acquisition of the Hospital, pursuant to N.C. Gen. Stat. § 131E-184(a)(8). The General Assembly has chosen to exempt certain, otherwise reviewable, events from CON review, including the acquisition of an existing health service facility, including the equipment owned by the health service facility at the time of the acquisition. See N.C. Gen. Stat. § 184(a)(8). Under N.C. Gen. Stat. § 131E-176(9b), the Hospital constitutes a "health service facility."

Accordingly, given that the Transaction involves only the Hospital, which is an existing health service facility, even if the Agency deems the Transaction to trigger a new institutional health service definition, the Transaction is nevertheless exempt from CON review.

CONCLUSION

Based upon the foregoing information, we hereby request the Agency's confirmation that the Transaction:

1. is not CON reviewable because it does not trigger any of the new institutional health service definitions, or (alternatively);
2. is exempt from CON review under N.C. Gen. Stat § 131E-184(a)(8).

The effective Transaction date is currently anticipated to be July 1, 2025. Thank you for your assistance in regard to this matter. Please feel free to contact me at the number above if you have any questions or need further information.

Sincerely,

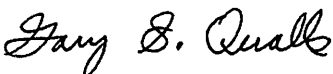

Gary S. Qualls

Exhibit 3

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Certificate of Need

for

Project ID #: F-12414-23

FID #: 230716

ISSUED TO: Atrium Health Denver ASC, LLC

Pursuant to G.S. 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 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 G.S. 131E-189(a). The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by G.S. 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in G.S. 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 G.S. 131E-189 for any of the reasons provided in that section.

SCOPE: Develop no more than one GI endoscopy room and one procedure room at an existing ambulatory surgery center / Lincoln County

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: Denver Surgery Center
1585 Forney Creek Parkway
Denver, NC 28037

CAPITAL EXPENDITURE: \$6,194,000

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: June 1, 2024

This certificate is effective as of January 9, 2024

Micheala Mitchell

Micheala Mitchell, Chief

CONDITIONS:

- 1. Atrium Health Denver ASC, LLC, (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holder shall develop no more than one GI endoscopy room and one procedure room at the existing ambulatory surgery center.**
- 3. Upon project completion, Denver Surgery Center shall be licensed for no more than one operating room, one GI endoscopy room and one procedure room.**
- 4. Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. The certificate holder shall complete all sections of the Progress Report form.**
 - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. The first progress report shall be due on June 1, 2024.**
- 5. For the first three years of operation following completion of the project, the certificate holder 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.**
- 6. The certificate holder 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. The certificate holder 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 2, 2024.

(F-12414-23 Con't)

Timetable

	Milestone	Date <i>mm/dd/yyyy</i>
1	Drawings Completed	07/04/2024
2	Construction / Renovation Contract(s) Executed	09/02/2024
3	25% of Construction / Renovation Completed (25% of the cost is in place)	03/06/2025
4	50% of Construction / Renovation Completed	04/17/2025
5	75% of Construction / Renovation Completed	05/29/2025
6	Construction / Renovation Completed	07/10/2025
7	Equipment Ordered	08/02/2024
8	Equipment Installed	06/19/2025
9	Equipment Operational	07/11/2025
10	Building / Space Occupied	07/11/2025
11	Licensure Obtained	09/15.2025
12	Services Offered	10/01/2025
13	Medicare and / or Medicaid Certification Obtained	12/01/2025
14	Facility or Service Accredited	12/01/2025

From: [Mitchell, Micheala L](#)
To: [Stancil, Tiffany C](#)
Subject: FW: [External] No Review Request / Exemption Notice For Transfer of Certain Interests in Atrium Health Lincoln To The Related Entity of Atrium Health Hospitals, Inc., a CMHA Subsidiary
Date: Thursday, December 18, 2025 2:28:27 PM
Attachments: [12182025_K&L_GATES.pdf](#)
[image001.png](#)

Would you mind logging this request and assigning to Greg? I'd call it an exemption.

Micheala Mitchell, JD

(she/her/hers)

Section Chief, Healthcare Planning and CON Section
Division of Health Service Regulation
North Carolina Department of Health and Human Services

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From: Qualls, Gary <Gary.Qualls@klgates.com>
Sent: Thursday, December 18, 2025 12:56 PM
To: Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
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Micheala:

Please accept for filing the attached No Review Request / Exemption Notice For Transfer of Certain Interests in Atrium Health Lincoln To The Related Entity of Atrium Health Hospitals, Inc., a CMHA Subsidiary.

Please confirm receipt for my records. As always, do not hesitate to let me know if you have any questions.

Thanks

Gary

Gary S. Qualls

Partner

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