



North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section

2704 Mail Service Center ■ Raleigh, North Carolina 27699-2704

Beverly Eaves Perdue, Governor  
Lanier M. Cansler, Secretary

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

Craig R. Smith, Section Chief  
Phone: 919-855-3875  
Fax: 919-733-8139

February 22, 2012

Maureen Demarest Murray  
Smith Moore Leatherwood LLP  
300 North Greene Street  
Greensboro, NC 27401

RE: No Review / Hendersonville Health Care Facility Limited Partnership and Margate Health and Rehab Center, LLC / Nursing Facility Renovations / Ashe County  
FID #: 923151

Dear Ms. Demarest:

The Certificate of Need (CON) Section received your letters of December 19, 2011 and February 15, 2012 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.

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.

In addition, you should contact the Construction Section to determine if they have any requirements for development of the proposed project. 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,

Les Brown  
Project Analyst

Craig R. Smith, Chief  
Certificate of Need Section

cc: Construction Section, DHSR





# SMITH MOORE LEATHERWOOD

February 15, 2012

*Via E-Mail and U.S. Mail*

Mr. Craig R. Smith,  
Chief, Certificate of Need Section  
Division of Health Service Regulation  
North Carolina Department of Health  
and Human Services  
2704 Mail Service Center  
Raleigh, North Carolina 27696-2704

Re: Relocation of 60 Nursing Home Beds on the Ashe Memorial Hospital Campus

Dear Mr. Smith:

This letter responds to your verbal questions to Doug Suddreth concerning whether the existing nursing beds at Ashe Memorial Hospital are already sprinklered and whether the capital costs associated with renovations and repairs of Margate Health and Rehab are less than two million dollars. First, the nursing beds currently located at Ashe Memorial Hospital are already sprinklered. The Margate Health and Rehab facility, however, is not completely sprinklered and must be sprinklered to satisfy Medicare life safety requirement by August 13, 2013.

Second, the following areas of work to repair and renovate the existing Margate Health and Rehab facility will cost less than two million dollars total:

1. Sprinkler installation throughout the facility;
2. Renovation of the interior front entrance;
3. Roof replacement;
4. Parking lot repairs and upgrade;
5. Wireless access;
6. Kitchen renovations; and
7. Replacement of beds and other furnishings.

Mr. Craig R. Smith, Chief  
February 15, 2012  
Page 2

These repairs and renovations are exempt from review under N.C. Gen. Stat. § 131E-176(16)(b) because the total cost is less than two million dollars.

Other areas of work will involve additions to the Margate facility to create a physical therapy suite, add private resident rooms, and create innovative, homelike residential dining spaces to accommodate residents and their families or visitors. These proposed changes at the Margate facility will increase the number of private rooms and renovate, replace and expand residential living in common areas that will improve the quality of life for residents. These changes will cost less than two million dollars and are exempt under both N.C. Gen. Stat. § 131E-176(16)(b) and N.C. Gen. Stat. § 131E-184(e). Adding the 60 nursing home beds from Ashe to the Margate facility will cost more than two million dollars and fall within the exemption in N.C. Gen. Stat. § 131E-184(e) as outlined in our December 19, 2011 letter to you.

Please let us know if you have any further questions or need any additional information. We look forward to receiving confirmation that the areas of work proposed in this notice and the expenses to be incurred constitute capital expenditures that are exempt from certificate of need review and do not require a certificate of need.

Kind regards,

Sincerely yours,

SMITH MOORE LEATHERWOOD LLP

*Maureen Demarest Murray*  
/ms

Maureen Demarest Murray

*Susan M. Bradley*

MDM:is

cc: R.D. Williams, Ashe Memorial (via e-mail)  
Tony Brett, Attorney for Ashe (via e-mail)  
Doug Suddreth (via e-mail)  
Bob Walker (via e-mail)