



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

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Drexdal Pratt
Division Director

June 5, 2013

Charles E. Trefzger, Jr.
1270 25th Street Place, SE
Hickory, NC 28602-9657

Exempt from Review – Acquisition of Facility

Facility: Helton Manor West
Acquisition by: NC4 Montana, LLC
County: Mecklenburg
FID #: 960558

Dear Mr. Trefzger:

In response to your letter of May 21, 2013 the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). The requestor states that as a result of the ownership change, the facility name will change to Queen City Assisted Living and the new licensee will be WP-Charlotte AL Holdings, LLC. Therefore, NC4 Montana, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Adult Care Licensure Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C.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,

Fatimah Wilson
Project Analyst

Craig R. Smith, Chief
Certificate of Need Section

cc: Adult Care Licensure Section, DHSR



Certificate of Need Section

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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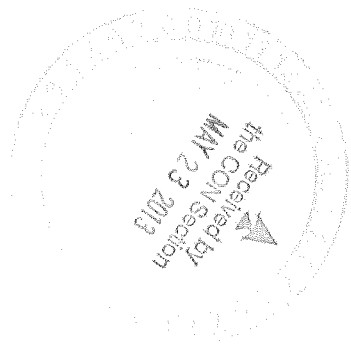
WP-Charlotte AL Holdings, LLC

*Post Office Box 2568
Hickory, North Carolina 28603-2568*

Fatwa

May 21, 2013

Mr. Craig Smith, Chief
Certificate of Need Section
Division of Health Service Regulation
Department of Health and Human Services
Dorothea Dix Hospital Campus
809 Ruggles Drive
Raleigh, NC 27603



Re: Exemption Notice for Helton Manor West (Adult Care Home in Mecklenburg County)

Dear Mr. Smith:

NC4 Montana, LLC (“NC4 Montana”) is planning to acquire an adult care home in Mecklenburg County, currently known as Helton Manor West (hereafter “the Facility”). The Facility is located at 1700 Montana Drive in Charlotte, North Carolina. The Facility is listed in the “Inventory of Adult Care Home Beds” in the 2013 State Medical Facilities Plan as having 120 adult care home beds (see Exhibit A).

NC4 Montana is seeking to purchase the Facility through a purchase and sale agreement. The purpose of this letter is to provide prior notice of this acquisition, which is exempt from Certificate of Need (“CON”) review, to the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (the “Agency”). NC4 Montana seeks confirmation that it is permitted to acquire the Facility as described herein without CON Review, thus acquiring the Facility’s existing CON rights to own that existing health service facility (as defined in the CON statute) with 120 adult care beds.

I. THE PROPOSAL

As of this date, Helton Manor West, Inc. owns the property and building comprising the Facility, which is an existing “health service facility,” as that term is defined in N.C. Gen. Stat. § 131E-176(9)(b), and Helton Manor West, Inc. is also the Licensee. NC4 Montana will purchase the Facility, and the Licensee will be WP-Charlotte AL Holdings, LLC. The Facility will be known as Queen City Assisted Living.

II. EXEMPTION NOTICE

Under North Carolina law, a Certificate of Need (“CON”) is required only prior to offering or developing a “new institutional health service.” “New institutional health service” includes a

Mr. Craig Smith, Chief
Certificate of Need Section
May 21, 2013
Page Two

variety of services and activities, including a capital expenditure exceeding \$2 million. N.C. Gen. Stat. § 131E-176(16)(b).

The North Carolina General Assembly saw fit to exempt certain types of services or proposals from CON review, pursuant to N.C. Gen. Stat. § 131E-184. One such exempt service or proposal includes 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).

This project involves only the acquisition of an existing adult care home, which falls within the purview of the statutory definition of "health service facility." After acquisition, the new Licensee, WP-Charlotte AL Holdings, LLC, will operate the Facility as an adult care home. Furthermore, NC4 Montana's acquisition of the Facility does not entail the purchase of any major medical equipment or any *per se* reviewable equipment as defined in N.C. Gen. Stat. §§ 131E-176(14)(o) and (16)(f1). Likewise, the acquisition does not include the offering of any *per se* reviewable services. N.C. Gen. Stat. § 131E-176(16)(f). Thus, given that the transaction involves only the acquisition of an existing health services facility, it is exempt from CON review.

III. CONCLUSION

Based on the foregoing information, we hereby request the Agency's confirmation that the proposal described above is exempt from CON review, pursuant to N.C. Gen. Stat. § 131E-184(a)(8), and thus NC4 Montana may acquire the Facility with all its existing CON rights without a CON.

In addition, we respectfully request that this request be considered on an expedited basis because the parties wish to proceed with this transaction as soon as possible. If you require additional information to consider this request, please contact us at (828) 261-7312 as soon as possible. We thank you for your consideration of this request.

Sincerely,



Charles E. Trefzger, Jr.
Manager

Enclosure

Table 11A: Inventory of Adult Care Homes (Assisted Living) Beds

County	Facility Name	CON Approved/License Pending										Total Licensed Beds	Licensed Beds in Adult Care Facilities	Licensed Beds in Hospitals	Licensed Beds in Nursing Homes	Total Available	Sum of Exclusions	Total Planning Inventory		
		Licensed Beds in Nursing Homes	Licensed Beds in Adult Care Facilities	Licensed Beds in Hospitals	Licensed Beds in Adult Care Facilities	Total Licensed Beds	CON	ACH Exempt	ACH Pipeline	CON Bed Transfer	Available in SMFP									
Mecklenburg	East Towne	0	0	0	0	120	0	0	0	0	0	0	0	0	0	0	0	120	0	120
Mecklenburg	Elmcraft of Little Avenue	0	0	0	0	62	0	0	0	62	0	0	0	0	0	0	0	62	0	62
Mecklenburg	Emeritus at Eastover	0	0	0	0	104	0	0	0	104	0	0	0	0	0	0	0	104	0	104
Mecklenburg	Emeritus at South Park	0	0	0	0	56	0	0	0	56	0	0	0	0	0	0	0	56	0	56
Mecklenburg	Hellon Manor West	0	0	0	0	120	0	0	0	120	0	0	0	0	0	0	0	120	0	120
Mecklenburg	Hunter Village	0	0	0	0	68	0	0	0	68	0	0	0	0	0	0	0	68	0	68
Mecklenburg	Hunter Woods Nursing & Rehabilitation Center	10	0	0	0	10	0	0	0	10	0	0	0	0	0	0	0	10	0	10
Mecklenburg	Lawyers Glen Retirement Living Center	0	0	0	0	82	0	0	0	82	0	0	0	0	0	0	0	82	0	82
Mecklenburg	Lee's Living Center	0	0	0	0	48	0	0	0	48	0	0	0	0	0	0	0	48	0	48
Mecklenburg	Legacy Heights Senior Living Community	0	0	0	0	122	0	0	0	122	0	0	0	0	0	0	0	122	0	122
Mecklenburg	Parker Terrace at Aldersgate	10	0	0	0	53	0	0	0	53	0	0	0	0	0	0	0	53	0	53
Mecklenburg	Pineville Rehabilitation and Living Center	0	0	0	0	40	0	0	0	40	0	0	0	0	0	0	0	40	0	40
Mecklenburg	Preston House	0	0	0	0	119	0	0	0	119	0	0	0	0	0	0	0	119	0	119
Mecklenburg	Regency Retirement Village	20	0	0	0	20	0	0	0	20	0	0	0	0	0	0	0	20	0	20
Mecklenburg	Saturn Nursing and Rehabilitation Center	40	0	0	0	40	0	0	0	40	0	0	0	0	0	0	0	40	0	40
Mecklenburg	Sharon Towers	0	0	0	0	12	0	0	0	12	0	0	0	0	0	0	0	12	0	12
Mecklenburg	Slay's Rest Home	40	0	0	0	40	0	0	0	40	0	0	0	0	0	0	0	40	0	40
Mecklenburg	Southminster	0	0	0	0	120	0	0	0	120	0	0	0	0	0	0	0	120	0	120
Mecklenburg	Summit Place of Southpark	0	0	0	0	95	0	0	0	95	0	0	0	0	0	0	0	95	0	95
Mecklenburg	Sunrise on Providence	0	0	0	0	34	0	0	0	34	0	0	0	0	0	0	0	34	0	34
Mecklenburg	The Arbors at Carriage Club of Charlotte	0	0	0	0	50	0	0	0	50	0	0	0	0	0	0	0	50	0	50
Mecklenburg	The Cove at Wilora Lake Lodge	0	0	0	0	60	0	0	0	60	0	0	0	0	0	0	0	60	0	60
Mecklenburg	The Haven in Highland Creek	0	0	0	0	60	0	0	0	60	0	0	0	0	0	0	0	60	0	60
Mecklenburg	The Haven in the Village at Carolina Place	0	0	0	0	105	0	0	0	105	0	0	0	0	0	0	0	105	0	105
Mecklenburg	The Laurels in Highland Creek	0	0	0	0	104	0	0	0	104	0	0	0	0	0	0	0	104	0	104
Mecklenburg	The Laurels in the Village at Carolina Place	0	0	0	0	49	0	0	0	49	0	0	0	0	0	0	0	49	0	49
Mecklenburg	The Little Flower Assisted Living Residence	0	0	0	0	64	0	0	0	64	0	0	0	0	0	0	0	64	0	64
Mecklenburg	The Parc at Sharon Amity	30	0	0	0	30	0	0	0	30	0	0	0	0	0	0	0	30	5	25
Mecklenburg	The Pines at Davidson	10	0	0	0	10	0	0	0	10	0	0	0	0	0	0	0	10	0	10
Mecklenburg	University Place Nursing and Rehabilitation Center	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mecklenburg	Waltonwood Cotswold (bed transfer from Charlotte Manor + 85 beds per CON agreement)	0	0	0	0	85	0	0	0	85	0	0	0	0	0	0	0	85	0	125
Mecklenburg	Weddington Park	0	0	0	0	83	0	0	0	83	0	0	0	0	0	0	0	83	0	83
Mecklenburg	Willow Ridge Assisted Living	0	0	0	0	52	0	0	0	52	0	0	0	0	0	0	0	52	0	52
Mecklenburg	WillowBrooke Court/Plantation Estates	60	0	0	0	60	0	0	0	60	0	0	0	0	0	0	0	60	10	50
Mecklenburg	Wilora Lake Healthcare Center	20	0	0	0	20	0	0	0	20	0	0	0	0	0	0	0	20	0	20
Mecklenburg	Totals	250	0	0	0	2,434	0	0	0	2,684	85	0	0	0	340	0	3,109	15	3,094	
Mitchell	Brian Center Health & Rehab/Spruce Pine	10	0	0	0	10	0	0	0	10	0	0	0	0	0	0	0	10	0	10
Mitchell	Mitchell House	10	0	0	0	80	0	0	0	90	0	0	0	0	0	0	0	90	0	90
Montgomery	Autumn Care of Biscoe	10	0	0	0	10	0	0	0	10	0	0	0	0	0	0	0	10	0	10
Montgomery	Brookstone Haven of Star	0	0	0	0	54	0	0	0	54	0	0	0	0	0	0	0	54	0	54
Montgomery	Poplar Springs	0	0	0	0	12	0	0	0	12	0	0	0	0	0	0	0	12	0	12
Montgomery	Sandy Ridge Assisted Living	0	0	0	0	104	0	0	0	104	0	0	0	0	0	0	0	104	0	104
Montgomery	Tillery Chase Adult Care Home	0	0	0	0	60	0	0	0	60	0	0	0	0	0	0	0	60	0	60
Montgomery	Totals	10	0	0	0	230	0	0	0	240	0	0	0	0	0	0	240	0	240	
Moore	Carolina House of Pinehurst	0	0	0	0	76	0	0	0	76	0	0	0	0	0	0	0	76	0	76
Moore	Elmcraft of Southern Pines	0	0	0	0	94	0	0	0	94	0	0	0	0	0	0	0	94	0	94
Moore	Fox Hollow Senior Living Community	0	0	0	0	85	0	0	0	85	0	0	0	0	0	0	0	85	0	85
Moore	Kingswood Nursing Center	10	0	0	0	10	0	0	0	10	0	0	0	0	0	0	0	10	0	10
Moore	Magnolia Gardens	0	0	0	0	110	0	0	0	110	0	0	0	0	0	0	0	110	0	110
Moore	Peak Resources - Pinelake	20	0	0	0	20	0	0	0	20	0	0	0	0	0	0	0	20	0	20
Moore	Penick Village	29	0	0	0	29	0	0	0	29	0	0	0	0	0	0	0	29	0	29

EXHIBIT A