



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

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

March 8, 2013

Terri Harris
Smith Moore Leatherwood
300 North Greene Street
Suite 1400
Greensboro, NC 27401

Exempt from Review – Acquisition of Facility

Facility: Angel Medical Center
Acquisition by: Mission Health System, Inc.
County: Macon
FID #: 942938

Dear Ms. Harris:

In response to your letter of January 31, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, Mission Health System, Inc. may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Acute and Home Care Licensure and Certification 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,

Julie Halatek
Project Analyst

Craig R. Smith, Chief
Certificate of Need Section

cc: Azzie Conley, Acute and Home Care Licensure and Certification 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

An Equal Opportunity/ Affirmative Action Employer



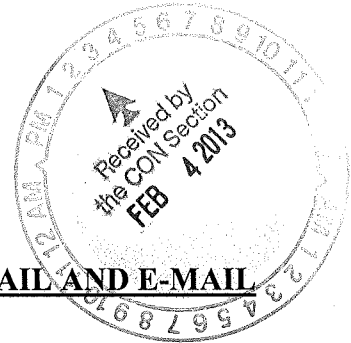


SMITH MOORE LEATHERWOOD

January 31, 2013

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

VIA U.S. MAIL AND E-MAIL



Re: Notice of Exemption for Acquisition of Angel Medical Center, Inc.

Dear Craig:

We are providing advance written notice of a proposed transaction involving Mission Health System, Inc. ("Mission") and Angel Medical Center, Inc. ("Angel"). Mission and Angel plan to enter into an agreement pursuant to which the two hospitals will become affiliated with increasing control by Mission over a period of 10 years.

Specifically, during the first five years, Mission will have a 51% vote on issues related to management of Angel. After the fifth year, if Angel does not exercise an opt out option, Mission becomes the sole member of Angel and will have a majority vote on the board. At the 10th anniversary of the affiliation, if Angel does not exercise an opt out option, Mission will be able to amend the articles and bylaws thereafter as it deems appropriate.

Mission requests that you confirm that its proposed affiliation with Angel is exempt from certificate of need review pursuant to N.C. Gen. Stat. § 131E-184(a)(8) or is otherwise not subject to certificate of need review.

Mission would appreciate receiving as soon as possible your written confirmation that its proposed affiliation with Angel is exempt from certificate of need review. We expect to schedule the closing no later than February 28, 2013. Please let us know if you have any questions or need any other information.

Craig R. Smith, Chief
January 31, 2013
Page 2

With kindest regards, I am

Very truly yours,

SMITH MOORE LEATHERWOOD LLP

A handwritten signature in cursive script that reads "Terrill Harris".

Terrill Johnson Harris

cc: John B. Garver, II
Anthony Brett