



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

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Division Director

April 30, 2014

Kenneth L. Burgess  
301 Fayetteville Street, Suite 1900  
Raleigh, NC 27601

**Exempt from Review – Acquisition of Facility**

Facility: Carolina Home Care  
Acquisition by: DLP Rutherford Regional Health System, LLC  
County: Rutherford  
FID #: 943662

Dear Mr. Burgess:

In response to your letter of April 8, 2014, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, DLP Rutherford Regional Health System, LLC 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 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

Martha J. Frisone, Interim Chief  
Certificate of Need Section

cc: Medical Facilities Planning Branch, DHSR  
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

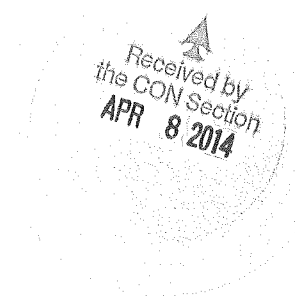
An Equal Opportunity/ Affirmative Action Employer



*Julie*

Poyner Spruill<sup>LLP</sup>

April 8, 2014



Kenneth L. Burgess  
Partner  
D: 919.783.2917  
F: 919.783.1075  
[kburgess@poynerspruill.com](mailto:kburgess@poynerspruill.com)

**Via Hand Delivery**

Ms. Martha Frisone  
Acting Chief  
Certificate of Need Section  
Division of Health Service Regulation  
N.C. Department of Health and Human Services  
809 Ruggles Drive  
Raleigh, NC 27603

**RE: Notice of Exempt Acquisition of an Existing Health Service Facility and Request for No Review Determination: Acquisition of Carolina Home Care Home Health Agency (Lic. No. HC0186)**

Dear Ms. Frisone:

Our firm represents DLP Rutherford Regional Health System, LLC ("DLP Rutherford") and DLP Healthcare, LLC ("DLP Healthcare"). We are providing this letter pursuant to N.C. Gen. Stat. § 131E-184(a)(8) to inform the Certificate of Need Section ("CON Section") that DLP Rutherford proposes to acquire ownership and control of substantially all of the assets of the Medicare-certified home health agency which is licensed to Rutherford Hospital, Inc. and is known as Carolina Home Care (HC0186; Facility I.D. No. 943662), located in Forest City, North Carolina.

DLP Healthcare and Rutherford Hospital, Inc. ("Rutherford") will enter into a contribution agreement with an effective date of May 1, 2014, pursuant to which substantially all of the assets of Rutherford will be transferred to DLP Rutherford Regional Health System, LLC.<sup>1</sup> This includes the assets of the Carolina Home Care home health agency.

DLP Rutherford Regional Health System, LLC is a joint venture between DLP Healthcare and Rutherford. DLP Healthcare is a joint venture between Duke Quality Network, Inc. (a wholly-controlled affiliate of Duke University Health System, Inc.) and DLP Partner, LLC, a Delaware company which is a related entity to LifePoint Hospitals, Inc., a publicly-traded company that operates 61 hospital campuses in 20 states. An organizational chart depicting the post-closing corporate ownership structure is attached for your convenience.

DLP Healthcare was formed for purposes of strengthening and improving the delivery of healthcare services throughout North Carolina and the surrounding regions by creating flexible affiliation options for community hospitals. DLP Healthcare currently has affiliation and/or joint ownership arrangements with other North Carolina community hospitals.

<sup>1</sup> We have provided to the Certificate of Need Section by correspondence of this same date a separate Notice of Exempt Acquisition with respect to other assets owned by Rutherford Hospital, Inc. which are also involved in this transaction.

Ms. Martha Frisone  
Acting Chief, CON Section  
April 8, 2014  
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Poyner Spruill<sup>LLP</sup>

Under the proposed transaction, DLP Rutherford will acquire ownership and control of substantially all of the assets of Rutherford, including the Carolina Home Care home health agency which is an existing health service facility as defined under North Carolina's Certificate of Need Law at N.C. Gen. Stat. § 131E-176(9b). The Certificate of Need Law provides that, upon receiving prior written notice, the CON Section shall exempt from CON review 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). Accordingly, we would appreciate receiving written confirmation that DLP Rutherford's proposed transaction whereby it will acquire ownership and control of the Carolina Home Care home health agency, as described herein, is exempt from CON review.

Thank you in advance for your prompt consideration of this request. The parties wish to close the proposed transaction on or about April 30, 2014, and we request a response from you before that time, if possible.

Please contact us if you have questions or need any additional information.

With best regards, I am

Very truly yours,

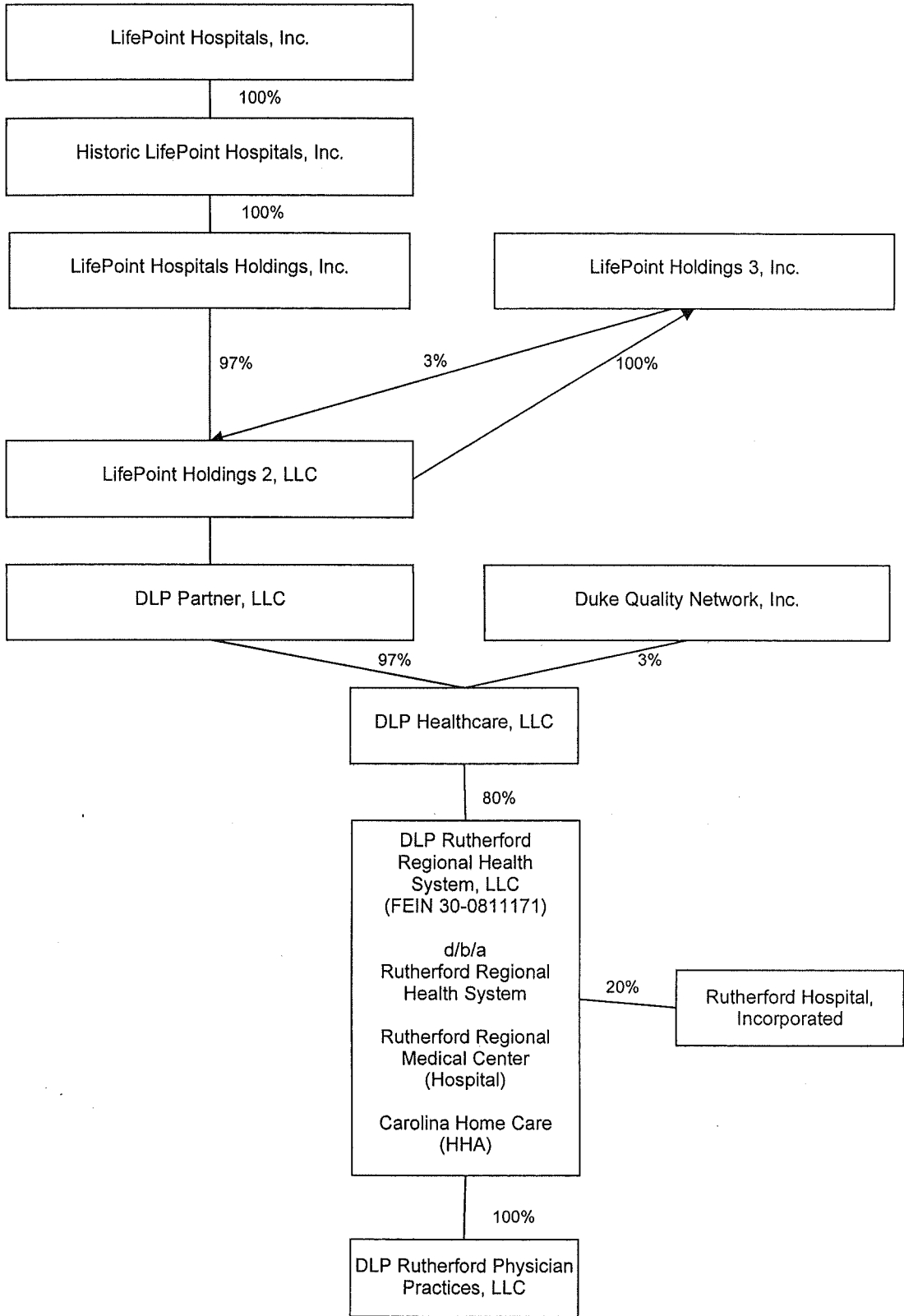


**Kenneth L. Burgess**  
Partner

Enclosure

cc: (via e-mail, w/ enclosure)  
Brandon Schirg, Esq., Counsel for DLP Healthcare  
Christy Gudaitis, Esq., Counsel for Duke  
Jennifer Peters, Esq., Counsel for LifePoint

Organizational Chart DLP Rutherford Regional Health System, LLC



**Halatek, Julie F**

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**From:** Halatek, Julie F  
**Sent:** Wednesday, April 16, 2014 9:14 AM  
**To:** Frisone, Martha  
**Subject:** RE: DLP Rutherford Regional Hospital System: Notice of Delayed Closing

Thank you! I'll add it to the documentation.

Julie Halatek  
N.C. Department of Health and Human Services  
Project Analyst, CON Section - Division of Health Service Regulation  
809 Ruggles Drive  
Raleigh, NC 27603  
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**From:** Frisone, Martha  
**Sent:** Wednesday, April 16, 2014 8:53 AM  
**To:** Halatek, Julie F  
**Subject:** FW: DLP Rutherford Regional Hospital System: Notice of Delayed Closing

Please see Mr. Burgess' email below.

Martha J. Frisone  
N.C. Department of Health and Human Services  
Interim Chief, CON Section - Division of Health Service Regulation  
809 Ruggles Drive  
Raleigh, NC 27603  
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[martha.frisone@dhhs.nc.gov](mailto:martha.frisone@dhhs.nc.gov)  
[www.ncdhhs.gov/dhsr](http://www.ncdhhs.gov/dhsr)

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**From:** Burgess, Kenneth L. [<mailto:kburgess@poynerspruill.com>]  
**Sent:** Wednesday, April 16, 2014 8:39 AM  
**To:** Frisone, Martha  
**Cc:** Brandon Schirg  
**Subject:** DLP Rutherford Regional Hospital System: Notice of Delayed Closing

Dear Martha, on April 8, 2014, we provided to your office two notices of exempt acquisition / requests for confirmation of "no review" status involving the acquisition by our client, DLP Rutherford Regional Health System, LLC of: 1) the Rutherford Regional Medical Center and 2) Carolina Home Care home health agency. In that correspondence, we advised the CON Section that the closing of this transaction was scheduled for April 30, 2014. We have just been advised that the closing of the transaction has been postponed until May 31, 2014, and wanted to advise your office accordingly. I do not know which Project Analyst has been assigned to review our correspondence so I'm sending this update to you. Please let me know if you have any questions or need

4/16/2014

further information. Thanks, Ken Burgess

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