



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

April 30, 2014

Annaliese Impink  
One Ravinia Drive, Suite 1500  
Atlanta, GA 30346

**Exempt from Review – Acquisition of Facility**

Facility: Autumn Care of Forest City  
Acquisition by: Forest City Operating Company LLC  
County: Rutherford  
FID #: 923147

Dear Ms. Impink:

In response to your letter of March 28, 2014, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, Forest City Operating Company LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Nursing Home 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: Nursing Home Licensure and Certification Section, DHSR  
Medical Facilities Planning Branch, DHSR



**Certificate of Need Section**

[www.ncdhhs.gov](http://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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*Julie*

March 28, 2014

Received by  
the CON Section  
MAR 31 2014

**BY OVERNIGHT MAIL**

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

923/47

Re: Notice of Exempt Acquisition by Lease of North Carolina Skilled Nursing Facility  
Pursuant to N.C. Gen. Stat. §§ 131E-184(a)(1) and (8)

Dear Ms. Frisone:

Pursuant to N.C. Gen. Stat. §§ 131E-184(a)(1) and (8), I am writing to provide the N.C. Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (“the Agency”) with notice of Forest City Operating Company LLC’s intent to acquire, via a lease arrangement, the skilled nursing facility currently known as Autumn Care of Forest City, located at 830 Bethany Church Road, Forest City, North Carolina 28043 (“the Facility”). Forest City Operating Company LLC is an affiliate of SavaSeniorCare, LLC.

This facility is currently leased from Tandem Associates, LLC. The facility is currently licensed as Autumn Care of Forest City (License number NH0474). The Facility is licensed for one hundred (100) nursing facility beds. Pursuant to N.C. Gen. Stat. § 131E-176(9b), the Facility is a “health service facility.”

Forest City Operating Company LLC is a Delaware Limited Liability Company registered to do business in the State of North Carolina. Forest City Operating Company intends to lease the Facility from Tandem Associates, LLC (“Tandem”). Forest City Operating Company LLC and Tandem Associates, LLC have executed the relevant lease with an anticipated effective date of May 1, 2014.

N.C. Gen. Stat. § 131E-176(16)(l) provides that the purchase, lease, or acquisition of any health service facility, or portion thereof, which was developed pursuant to a certificate of need qualifies as a “new institutional health service.” N.C. Gen. Stat. § 131E-178(b) provides that “[n]o person shall make an acquisition by donation, lease, transfer or comparable arrangement without first obtaining a certificate of need from the Department, if the acquisition would have

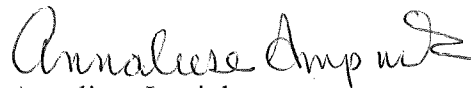
been a new institutional health service if it had been made by purchase.” N.C. Gen. Stat. §§ 131E-184(a)(1) and (8) provide that the acquisition of an existing health service facility, including equipment owned by the health service facility at the time of acquisition, is exempt from CON review upon prior written notice to the Agency of the proposed acquisition.

The acquisition of the Facility via the lease arrangements I have described herein will not involve the development of any new health service facility or otherwise qualify as a “new institutional health service,” which would be subject to Agency review under applicable Certificate of Need statutes or regulations. Rather, the transaction I have described herein qualifies as an “exempt transaction” within the meaning of N.C. Gen. Stat. § 131E-184(a)(8). This correspondence is intended to serve as the prior written notice to the Agency required by N.C. Gen. Stat. §§ 131E-184(a)(1) and (8).

Please provide me with written confirmation that this transaction is exempt from CON review pursuant to N.C. Gen. Stat. §§ 131E-184(a)(1) and (8). I would greatly appreciate it if this reply could be expedited since we will need to apply for a new license for the Facility and we anticipate including the Agency’s response to this correspondence as part of that application.

I appreciate your attention to this matter. Please let me know if there are any questions regarding this notice or if the Agency needs further information.

Sincerely,



Annaliese Impink

Senior Vice President and  
Chief Operations Counsel

cc: Kevin McIntosh, Esq.