



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

May 7, 2014

Christopher Sprenger
229 Airport Road
Suite 7-104
Arden, NC 28704

Exempt from Review

Facility: South Village
Project Description: Acquisition by lease by Rocky Mount Health and Rehabilitation, LLC
County: Nash
FID #: 923549

Dear Mr. Sprenger:

In response to your letter of April 1, 2014, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Construction and Nursing Home Licensure and Certification Sections of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed project.

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.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Bernetta Thorne-Williams
Bernetta Thorne-Williams
Project Analyst

Martha J. Frisone
Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Medical Facilities Planning Branch, DHSR
Nursing Home 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

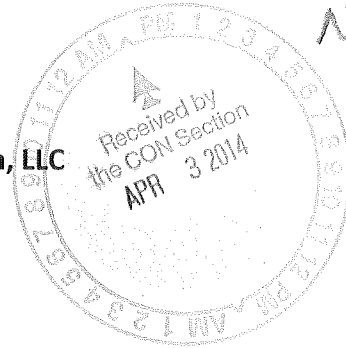
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Burnette

FID# 923549
Nash Co

Rocky Mount Health and Rehabilitation, LLC
229 Airport Rd. Suite 7-104
Arden, NC 28704



April 1, 2014

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

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) to provide notice to the N.C. Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section, I am writing regarding Rocky Mount Health and Rehabilitation, LLC intent to lease a facility in Rocky Mount, NC. The facility is currently leased by Universal Properties/RM, LLC d/b/a South Village 2221 Raleigh Rd. Rocky Mount, NC 27803-3729. Universal Properties/RM, LLC is terminating its lease on April 30, 2014. The facility is licensed for 100 nursing facility beds and 15 adult care home beds. Pursuant to N.C. Gen. Stat. 131E-176(9b), the Facility is a "health service facility".

Rocky Mount Health and Rehabilitation, LLC is a North Carolina Limited Liability Company. Rocky Mount Health and Rehabilitation intends to lease the Facility from Raleigh Road Nursing Center, LLC, also a North Carolina Limited Liability Company. Rocky Mount Health and Rehabilitation anticipates an 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 arrangement 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). We would be very appreciative 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 the correspondence as part of that application.

I appreciate your attention to this matter. Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Sprenger", written over the printed name.

Christopher Sprenger

Owner

Rocky Mount Health and Rehabilitation