

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

August 7, 2015

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

No Review

Record #: 1667
Facility Name: Camelot Manor
FID #: 923052
Business Name: Granite Falls Health and Rehabilitation, LLC
Business #: 2243
Project Description: Lease existing nursing facility from Camelot Manor of Granite Falls, Inc.
County: Caldwell

Dear Mr. Sprenger:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of June 24, 2015 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

Moreover, you need to contact the Agency's Nursing Home Licensure and Certification Section to determine if it has any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented in your correspondence. 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 this office. 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.



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-715-4413

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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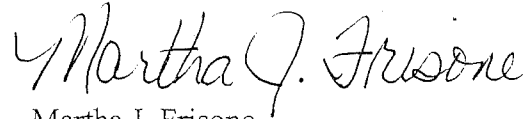
Christopher Sprenger
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Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



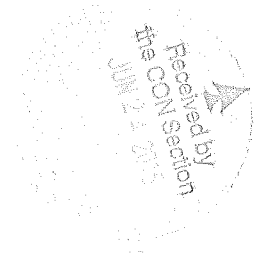
Julie Halatek
Project Analyst



Martha J. Frisone
Assistant Chief, Certificate of Need

cc: Nursing Home Licensure and Certification Section, DHSR
Assistant Chief, Healthcare Planning

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



June 22, 2015

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): Granite Falls Health and Rehabilitation d/b/a Hickory Falls Health and Rehabilitation 100 Sunset St. Granite Falls, NC 28630

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 Granite Falls Health and Rehabilitation, LLC intent to lease a facility in Granite Falls, NC. The facility is licensed for 120 nursing facility beds. Pursuant to N.C. Gen. Stat. 131E-176(9b), the Facility is a "health service facility".

Granite Falls Health and Rehabilitation, LLC is a North Carolina Limited Liability Company. Granite Falls Health and Rehabilitation intends to lease the Facility from Camelot Manor of Granite Falls, Inc. Granite Falls Health and Rehabilitation began leasing effective date of June 1, 2015.

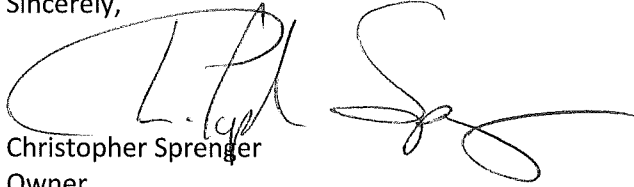
N.C. Gen. Stat. 131E-176(16)(l) provides that the purchase, lease, or acquisition of any health service facility, or portion thereof, which was developed pursuant to a certificate of need qualifies as a "new institutional health service". N.C. Gen. Stat. 131E-178(b) provides that "[n]o person shall make 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.

I appreciate your attention to this matter. Please contact me with any questions at 919-608-9123

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Sprenger', with a large, stylized flourish extending to the right.

Christopher Sprenger
Owner

Granite Falls Health and Rehabilitation, LLC
d/b/a Hickory Falls Health and Rehabilitation