



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

Pat McCrory  
Governor

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Secretary DHHS

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

April 11, 2016

Charles E. Trefzger, Jr.  
PO Box 2568  
Hickory, NC 28603-2568

**Exempt from Review**

**Record #:** 1922  
**Facility Name:** Bryson City Assisted Living  
**FID #:** 920531  
**Business Name:** Bryson City Property Holdings, LLC  
**Business #:** 2376  
**Project Description:** Acquire the existing adult care home and build a replacement facility on the same site as the existing facility  
**County:** Swain

Dear Mr. Trefzger:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of April 5, 2016, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8) and G.S 131E-184(e). Therefore, Bryson City Property Holdings, LLC, may proceed to acquire the above referenced health service facility without first obtaining a certificate of need and then develop a replacement facility on the same site.

However, you need to contact the Agency's Construction and Adult Care Licensure Sections to determine if they have any requirements for development of the proposed project as well as to obtain instructions for changing ownership of the existing facility.

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 Agency. 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;



**Healthcare Planning and Certificate of Need Section**

[www.ncdhhs.gov](http://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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April 11, 2016  
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(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,



Julie Halatek  
Project Analyst



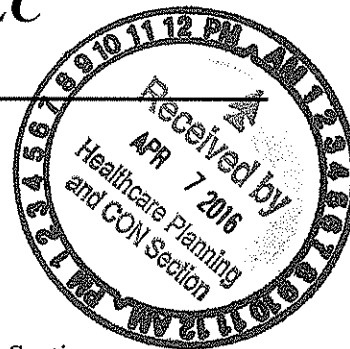
Martha J. Frisone, Assistant Chief  
Certificate of Need

cc: Construction Section, DHR  
Adult Care Licensure Section, DHR  
Kelli Fisk, Program Assistant, Healthcare Planning, DHR

# *Bryson City Property Holdings, LLC*

Post Office Box 2568  
Hickory, North Carolina 28603-2568

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April 5, 2016

Martha Frisone, Assistant Chief, Certificate of Need  
Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section  
North Carolina Department of Health & Human Services  
2704 Mail Service Center  
Raleigh, NC 27699-2704

**Re: Exemption Notice for Bryson City Assisted Living (Adult Care Home in Swain County)  
Facility ID: HAL-087-008**

Dear Ms. Frisone:

Bryson City Property Holdings, LLC (“Bryson City Property Holdings”) is planning to acquire an adult care home in Swain County, currently known as Bryson City Assisted Living (hereafter “the Facility”). The Facility is located at 314 Hughes Branch Road in Bryson City, North Carolina. The Facility is listed in the “Inventory of Adult Care Home Beds” in the 2016 State Medical Facilities Plan as having 50 adult care home beds.

Bryson City Property Holdings, seeks to re-develop the facility at its current location. The purpose of this letter is to provide prior notice of the proposed re-development project, which is exempt from Certificate of Need (“CON”) review, to the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (the “Agency”). Bryson City Property Holdings seeks confirmation that it is permitted to re-develop the Facility as described herein without CON Review, thus preserving the Facility’s existing CON rights to own that existing health service facility (as defined in the CON statute) with 50 adult care beds.

## **I. THE PROPOSAL**

As of this date, Bryson City Property Holdings, LLC owns the property and building comprising the Facility, which is an existing “health service facility,” as that term is defined in N.C. Gen. Stat. § 131E-176(9)(b), and Bryson City Property Holdings, LLC is the Licensee. Bryson City Property Holdings, LLC will re-develop the Facility at its current location, and the Licensee will be Bryson City Note Holdings, LLC. The Facility will still be known as Bryson City Assisted Living.

## **II. EXEMPTION NOTICE**

Under North Carolina law, a Certificate of Need (“CON”) is required only prior to offering or developing a “new institutional health service.” “New institutional health service” includes a variety of services and activities, including a capital expenditure exceeding \$2 million. N.C. Gen. Stat. § 131E-176(16)(b).

The North Carolina General Assembly saw fit to exempt certain types of services or proposals from CON review, pursuant to N.C. Gen. Stat. § 131E-184. One such exempt service or proposal includes the capital expenditure of more than two million dollars as set forth by N.C. Gen. Stat. § 131E-176(16)b should specific criteria be met as outlined by N.C. Gen. Stat. § 131E-184(e).

This project involves the re-development of an existing adult care home, which falls within the purview of the statutory definition of "health service facility." After acquisition, the Licensee, Bryson City Note Holdings, LLC, will seek to re-develop the facility as an adult care home.

Bryson City Property Holdings believes that this request meets the requirements set forth by N.C. Gen. Stat. § 131E-184(e) to include the following:

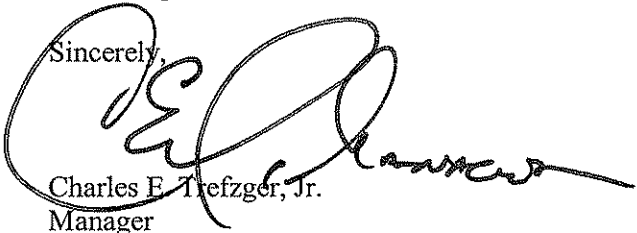
1. The proposed capital expenditure would be utilized for the replacement of an existing adult care home.
2. The re-development/replacement would not result in a change of adult care home bed capacity as defined by N.C. Gen. Stat. § 131E-176(5) nor would it result in the addition of a health service facility or any other new institutional health service other than that allowed in N.C. Gen. Stat. § 131E-176(16)b.
3. Bryson City Property Holdings expects to convert approximately fifty percent (50%) of the existing semi-private resident rooms to private.
4. Bryson City Property Holdings expects to create an innovative, homelike living and dining environment for the residents of Bryson City Assisted Living. Additionally, this private home-inspired environment will be extended to visitors and staff.
5. Bryson City Property Holdings will also be expanding the existing facility common areas as to accommodate the aforementioned "homelike" living spaces.

### **III. CONCLUSION**

Based on the foregoing information, we hereby request the Agency's confirmation that the proposal described above is exempt from CON review, pursuant to N.C. Gen. Stat. § 131E-184(e), and thus Bryson City Property Holdings may re-develop the Facility with all its existing CON rights without subjection to CON review.

In addition, we respectfully request that this request be considered on an **expedited basis** because the parties wish to proceed with this transaction as soon as possible. If you require additional information to consider this request, please contact us at (828) 404-3920 as soon as possible. We thank you for your consideration of this request.

Sincerely,



Charles E. Trefzger, Jr.  
Manager