



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Mark Payne
Assistant Secretary for Audit and
Health Service Regulation

February 17, 2016

Joy Heath
301 Fayetteville Street, Suite 1700
Raleigh, NC 27601

No Review

Record #: See Attachment A
Facility Name: See Attachment A
FID #: See Attachment A
Business Name: Ciena Health Care Management, Inc.
Business ID #: 2353
Project Description: Acquisition of stock of the parent company
County: See Attachment A

Dear Ms. Heath:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of January 26, 2016 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.

However, 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



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

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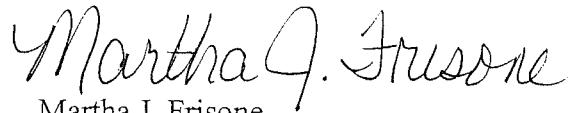
original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

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
Kelli Fisk, Program Assistant, Healthcare Planning, DHSR

ATTACHMENT A

Record ID#	County	Name of Facility	FID#
1872	Rowan	The Laurels of Salisbury	953441
1873	Henderson	The Laurels of Hendersonville	923081
1874	Chatham	The Laurels of Chatham	923099
1875	Wake	The Laurels of Forest Glenn	923173
1876	Buncombe	The Laurels of GreenTree Ridge	923203
1877	Buncombe	The Laurels of Summit Ridge	923279

WILLIAMS MULLEN

Direct Dial: 919.981.40001
jheath@williamsmullen.com



Via Hand-Delivery

TO: Martha J. Frisone, Assistant Chief
FROM: Joy Heath
RE: Prior Written Notice
DATE: January 26, 2016

Our law firm represents Ciena Health Care Management, Inc. ("Ciena") and, pursuant to N.C. Gen. Stat. § 131E-184(a)(8), we write to provide prior written notice of our client's plans, as described below.

Ciena, either directly or through a subsidiary or newly-created entity, anticipates entering into an arrangement to acquire the stock of the parent company that owns certain entities which operate nursing homes/adult care homes in North Carolina (as well as in other states).

In North Carolina, these facilities include Ashewood Manor, The Laurels of Chatham, The Laurels of Forest Glenn, The Laurels of Hendersonville, The Laurels of GreenTree Ridge, The Laurels of Salisbury and The Laurels of Summit Ridge. Ciena anticipates potentially closing this transaction on or before February 1, 2016.

Inasmuch as the transaction described above will involve only the acquisition of stock of the parent company that owns certain entities which operate nursing homes/adult care homes in North Carolina, the transaction may not constitute an acquisition from a North Carolina CON Law perspective. Notwithstanding the above, we note that the CON Law provides that acquisition of "an existing health service facility, including equipment owned by the health service facility at the time of acquisition" is exempt from certificate of need review pursuant to N.C. Gen. Stat. § 131E-184(a)(8). A "health service facility" is defined by N.C. Gen. Stat. § 131E-176(9b) to include both nursing home facilities and adult care homes. Based on this prior written notice, it is our understanding that our client's plans, even if considered an acquisition, are exempt from certificate of need review pursuant to N.C. Gen. Stat. Section 131E-184(a)(8).

Ciena respectfully requests confirmation that, based on the CON Law currently in effect, the proposal described above is not governed by, and, therefore, does not currently require a certificate of need. Please let us know of any questions or additional information that may be required. Thank you for your attention and response to this request.