



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

May 13, 2016

Thomas S. Stukes
Womble Carlyle Sandridge and Rice LLP
300 North Greene Street
Greensboro, NC 27401

No Review

Record #: 1939
Facility Name: Cornerstone Health Care
FID #: 050477
Business Name: Wake Forest University Baptist Medical Center
Business #: 1324
Project Description: Change form of corporation from P.A. to LLC with Wake Forest University Baptist Medical Center becoming sole member
County: Guilford

Dear Mr. Stukes:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of May 11, 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 Acute and Home Care Licensure and Certification Section 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 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

Healthcare Planning and Certificate of Need Section

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Mr. Stukes
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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.

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,

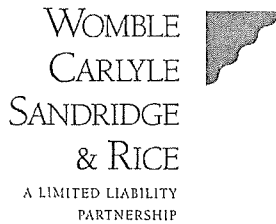


Celia C. Inman
Project Analyst



Martha J. Frisone,
Assistant Chief, Certificate of Need

cc: Acute and Home Care Licensure and Certification Section, DHSR
Kelli Fisk, Program Assistant, Healthcare Planning, DHSR



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May 11, 2016

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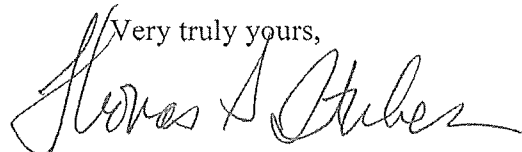
Re: Acquisition of Cornerstone Health Care, P.A. by Wake Forest University
Baptist Medical Center

Dear Ms. Inman:

Reference is made to the notice of acquisition of Cornerstone Health Care, P. A. ("Cornerstone") by Wake Forest University Baptist Medical Center (WFUBMC) set forth in the Certificate of Need Application G-11149-16 submitted March 15, 2016 to the Agency.

The acquisition occurred May 2, 2016. In connection with the acquisition, Cornerstone Health Care, P. A. was converted to a limited liability company, Cornerstone Health Care LLC, and WFUBMC became the sole member of Cornerstone Health Care LLC. Ownership of Cornerstone's diagnostic center did not change. We are requesting confirmation that the transaction is exempt from certificate of need review and approval pursuant to N.C. Gen. Stat. §131E-184(8).

Please let me know if we can provide you with any further information.

Very truly yours,

Thomas S. Stukes

TSS/jac