



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Mark Payne, Director
Health Service Regulation

October 21, 2016

J. Melvin Deaton
PO Box 2568
Hickory, NC 28603-2568

Exempt from Review – Acquisition of Facility

Record #: 2083
Facility Name: Mitchell House
Type of Facility: Adult Care Home
FID #: 120180
Acquisition by: Spruce Pine Propco Holdings, LLC
County: Mitchell

Dear Mr. Deaton:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of October 11, 2016, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, Spruce Pine Propco Holdings, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Agency's Adult Care Licensure Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to G.S. 131E-181(b): *"A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need."*

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. 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: Adult Care Licensure Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR



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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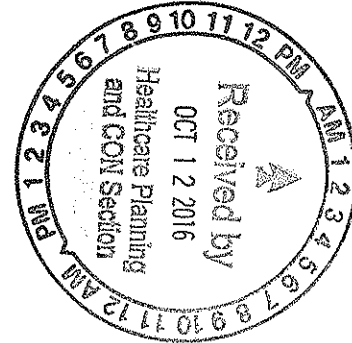


Spruce Pine Propco Holdings, LLC

Post Office Box 2568

Hickory, North Carolina 28603-2568

October 11, 2016



Ms. Martha Frisone, Assistant Chief
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: Notice of Exempt Acquisition of Mitchell House (FID: 120180) pursuant to Section 131E-184(a)(8) of the North Carolina General Statutes

Dear Ms. Frisone:

I am writing on behalf of Spruce Pine Propco Holdings, LLC (the "Buyer"), to provide notice to the N.C. Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the "Agency") of a transaction involving Mitchell House (License Number HAL-061-011), a licensed adult care home located at 13681 Highway 226 South, Spruce Pine, Mitchell County, North Carolina (the "Facility").

The Facility is currently owned by Mitchell Health Holdings, LLC. The Facility is leased to and operated by Mitchell House One, LLC (the "Current Licensee"). Pursuant to the transaction, the Facility will be acquired by Buyer. Following the conclusion of the transaction, on or about October 31, 2016, the Facility will continue to be operated as an adult care home, and the Facility will continue to be operated by the Current Licensee pursuant to its lease agreement with the Buyer.

The acquisition of the Facility 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 review under applicable Certificate of Need statutes or regulations. Pursuant to this letter, the Buyer hereby requests that the Agency confirm that the acquisition of the Facility is exempt from Certificate of Need review and approval pursuant to Section 131E-184(a)(8) of the North Carolina General Statutes.

If you require additional information, please contact me at (828) 261-7312. Thank you for your consideration of this request.

Sincerely,

J. Melvin Deaton

Corporate Office

328 First Avenue, Northwest Hickory, North Carolina 28601-6123

Tel: 828-322-5535 • Fax: 828-322-3897