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MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

## VIA EMAIL ONLY

July 31, 2018

Everett B. Saslow, Jr. saslow@hillevans.com

Exempt from Review - Acquisition of Facility

Record #:

2672

Facility Name:

Parkton Place

Type of Facility:

Adult Care Home

FID#:

920467

Acquisition by:

Change 4 Life, LLC

Business #:

2883

County:

Robeson

Dear Mr. Saslow:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of July 30, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Change 4 Life, 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 N.C. Gen. Stat. §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,

Martha J. Frisone, Chief

Healthcare Planning and Certificate of Need Section

cc:

Megan Lamphere, Chief, Adult Care Licensure Section, DHSR

Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR

Kim Randolph, Assistant Attorney General, DOJ

Jordan Qualls

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

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E-MAIL ADDRESS: saslow@hillevans.com

July 30, 2018

Martha Frisone, Assistant Chief Certificate of Need Section Division of Health Service Regulation 2704 Mail Service Center Raleigh, NC 27699-2704

> Exemption Notice for Change 4 Life, LLC Re:

Ms. Frisone:

R. THOMPSON WRIGHT

MICHELE G. SMITH

ALBERT L. SASLOW

WILLIAM W. JORDAN

EVERETT B. SASLOW, JR.†

ELAINE HEDRICK ASHLEY\*

RICHARD T. GRANOWSKY

BENJAMIN D. RIDINGS

I write on behalf of Change 4 Life, LLC, which is preparing for the acquisition of an adult care home in Parkton, Robeson County, North Carolina, known as Green Manor (hereafter "the Facility"). The Facility was most recently licensed as Parkton Place as of 2017. Avery Bradley Green and Donald Reid Green (as the heirs of Zeddie B. Green) currently own the Facility. The purpose of this letter is to provide notice to the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (the "Agency") of this proposed acquisition, which is exempt from certificate of need ("CON") review.

Avery Bradley Green and Donald Reid Green are the current owners of the Facility, an 82-bed adult care home in Parkton, Robeson County. The Facility is not currently licensed, but was licensed as an adult care home within the preceding 12 months. Within the relatively near future, Change 4 Life, LLC intends to acquire a 100% ownership interest in the existing health service facility. Change 4 Life, LLC intends to lease the operations of the Facility to Avery Bradley Green, who will become the new licensed operator of the Facility. Avery Bradley Green is currently completing the licensure applications necessary to become the new licensee.

Under North Carolina law, a 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. See N.C. Gen. Stat. § 131E-176(16)(b).

Martha Frisone July 30, 2018 Page 2

Furthermore, the North Carolina General Assembly saw fit to exempt certain types of services or proposals from CON review under N.C. Gen. Stat. §131E-184. Exempt costs include costs to acquire an existing health service facility, including equipment owned by the health service facility at the time of acquisition. N.C. Gen. Stat. §131E-184(a)(8).

This project involves only the acquisition of an existing adult care home, which is included in the CON statute's definition of a "health service facility." After acquisition, Change 4 Life, LLC will continue to operate the Facility as an adult care home. Furthermore, Change 4 Life, LLC's acquisition of the Facility does not entail the purchase of any major medical equipment or any *per se* reviewable equipment as defined in N.C. Gen. Stat. §§ 131E-176(14)(f) and (16)(f1). Likewise, the acquisition does not include the offering of any *per se* reviewable services. N.C. Gen. Stat. § 131E-176(16)(f). Thus, given that the transaction involves only the acquisition of an existing health service facility, it is exempt from CON review.

Based on the foregoing information, Change 4 Life, LLC hereby requests the Agency's confirmation that the proposal described above is exempt from CON review, under N.C. Gen. Stat. §131E-184(a)(8). If you require additional information to consider this request, please contact us at the above number as soon as possible. We thank you for your consideration of this request.

Yours truly,

Everett B. Saslow, Jr.

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