



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

September 27, 2018

Kevin A. Page
kevin.page@wallerlaw.com

No Review

Record #: See Attachment A
Facility Name: See Attachment A
FID #: See Attachment A
Business Name: See Attachment A
Business #: See Attachment A
Project Description: Change in indirect corporate ownership
County: See Attachment A

Dear Mr. Page:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of September 21, 2018 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.

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 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,

Handwritten signature of Julie M. Faenza

Julie M. Faenza
Project Analyst

Handwritten signature of Martha J. Frisone

Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section

cc: Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 2701 Mail Service Center, Raleigh, NC 27699-2701
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3750 • FAX: 919-733-2757

ATTACHMENT A

Record #	County	Facility Name	FID #	Direct Owner	Business ID #
2704	Lee	Central Carolina Hospital	953084	DLP Central Carolina Medical Center, LLC	2546
2705	Catawba	Frye Regional Medical Center	943182	DLP Frye Regional Medical Center, LLC	2331
2706	Jackson	Harris Regional Hospital	923046	DLP Harris Regional Hospital, LLC	867
2707	Haywood	Haywood Regional Medical Center	933234	DLP Haywood Regional Medical Center, Inc.	2153
2708	Franklin	Maria Parham Health	943326	DLP Maria Parham Medical Center, LLC	1178
2709	Person	Person Memorial Hospital	953396	DLP Person Memorial Hospital, LLC	2911
2711	Swain	Swain Community Hospital	923480	DLP Swain County Hospital, LLC	2913
2712	Wilson	Wilson Medical Center	923569	DLP Wilson Medical Center, LLC	2152
2713	Franklin	DLP Cardiac Partners	160094	DLP Cardiac Partners, LLC	2314
2714	Rutherford	Rutherford Regional Medical Center	923438	DLP Rutherford Regional Health System, LLC	2912

September 21, 2018

By Electronic and Certified Mail - Return Receipt Requested

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



*Email received
9/21/18
MF*

Re: Request for No Review Determination -
LifePoint Health Merger into RCCH HealthCare Partners

Dear Ms. Frisone:

Our firm represents LifePoint Health, Inc. (“LifePoint”), a publicly traded corporation, which is the indirect supermajority owner of various subsidiaries that own and operate nine hospitals (Central Carolina Hospital, Frye Regional Medical Center, Harris Regional Hospital, Haywood Regional Medical Center, Maria Parham Health, Person Memorial Hospital, Rutherford Health System, Swain Community Hospital, and Wilson Medical Center) and one cardiac catheterization service provider (DLP Cardiac Partners) in the State of North Carolina (collectively, the “Facilities”), as further described in Attachment A. We are writing to inform you of a proposed transaction affecting LifePoint.

On July 22, 2018, LifePoint entered into an Agreement and Plan of Merger (the “Merger Agreement”) with RegionalCare Hospital Partners Holdings, Inc. d/b/a RCCH HealthCare Partners (“RCCH”) and Legend Merger Sub, Inc., a wholly-owned subsidiary of RCCH. Pursuant to the Merger Agreement, LifePoint will become a wholly-owned subsidiary of RCCH and will no longer be a publically traded company. The combined company will operate under the “LifePoint Health” name and will be led by William F. Carpenter, III, the current chairman and chief executive officer of LifePoint. The Transaction is currently expected to close in the fourth quarter of 2018.

However, the proposed transaction will not directly affect the Facilities or their direct owners. The Facilities and their direct owners will retain their current federal tax identification numbers, and will continue to conduct business at the same locations under the same legal entity names and doing business as names. There will be no change to any of the Facilities’ direct ownership, management, equipment, assets, personnel, policies and procedures, operations or services provided as a result of the transaction. In addition, the Facilities and their direct owners will continue to hold all applicable facility licenses and provider agreements. The only change that will occur will be at the top tier of the corporate structure.

We believe that the above transaction is not a “new institutional health service” within the meaning of N.C. Gen. Stat. § 131E-176(16) which would require certificate of need (“CON”)

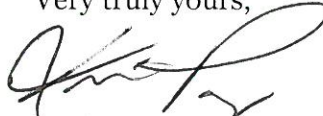
Ms. Martha Frisone
September 21, 2018
Page 2

review and approval, because the direct owner of each Facility will not change. In our discussions with your Agency, it was similarly noted that this transaction is not a new institutional health service and that no CON review or further notice of the transaction is required.

However, even if the Healthcare Planning and Certification of Need Section (“CON Section”) were to conclude that the Transaction is a reviewable acquisition of an existing health service facility, then please accept this letter as a notice of exemption pursuant to N.C. Gen. Stat. § 131E-184(a)(8). Each of the Facilities above is an existing health service facility within the meaning of the CON law. See N.C. Gen. Stat. § 131E-176(9b).

We request that you provide a letter confirming that our interpretation of the CON law and applicable rules is correct and that the proposed transaction is not a new institutional health service, or in the alternative, that the proposed transaction is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(8). Should you have any questions or require additional information about the proposed transaction, please contact me at (615) 850-8892 or by email at kevin.page@wallerlaw.com.

Very truly yours,



Kevin A. Page

Enc.

Attachment A

Facilities

LifePoint Health, Inc. is the indirect supermajority owner of each of the following Facilities in North Carolina:

- DLP Central Carolina Medical Center, LLC d/b/a Central Carolina Hospital, 1135 Carthage Street, Sanford, NC 27330 (License No. HO243)
- DLP Frye Regional Medical Center, LLC d/b/a Frye Regional Medical Center, 420 North Center Street, Hickory, NC 28601 (License No. HO053)
- DLP Harris Regional Hospital, LLC d/b/a Harris Regional Hospital, 68 Hospital Drive, Sylva, NC 28779 (License No. HO087)
- DLP Haywood Regional Medical Center, Inc. d/b/a Haywood Regional Medical Center, 262 Leroy George Drive, Clyde, NC 28721 (License No. HO025)
- DLP Maria Parham Medical Center, LLC d/b/a Maria Parham Health, 566 Ruin Creek Rd, Henderson, NC 27536 (License No. HO267)
- DLP Person Memorial Hospital, LLC d/b/a Person Memorial Hospital, 615 Ridge Road, Rexboro, NC 27573 (License No. HO066)
- DLP Rutherford Regional Health System, LLC d/b/a Rutherford Regional Medical Center, 288 S. Ridgecrest Ave, Rutherfordton, NC 28139 (License No. HO039)
- DLP Swain County Hospital, LLC d/b/a Swain County Hospital, 45 Plateau Street, Bryson City, NC 28713 (License No. HO069)
- DLP Wilson Medical Center, LLC d/b/a Wilson Medical Center, 1705 Tarboro St SW, Wilson, NC 27893 (License No. HO210)
- DLP Cardiac Partners, LLC (cardiac catheterization service provider), 566 Ruin Creek Road, Henderson, NC 27536