



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

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

February 28, 2020

Christopher Sprenger
229 Airport Road, Suite 7-104
Arden, NC 28704

Exempt from Review – Acquisition of Facility

Record #: 3231
Facility Name: Mecklenburg Health & Rehabilitation Center
Type of Facility: Nursing Home
FID #: 955030
Acquisition by: Porter Road Healthcare Properties, LLC
Business #: 3197
County: Mecklenburg

Dear Mr. Sprenger:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your representations, the above referenced proposal is exempt from certificate of need (CON) review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, the above referenced business may proceed to acquire the health service facility identified above without first obtaining a CON. The Agency’s determination is limited to the question of whether or not the above referenced business would have to obtain a CON if the current owners of the health service facility do in fact sell it to the business listed above. 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.”

In the event that the business listed above does acquire the facility, you should contact the Agency’s Nursing Home Licensure and Certification Section to obtain instructions for changing ownership of the existing facility.

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 regarding whether or not a certificate of need would be required. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Handwritten signature of Julie M. Faenza

Julie M. Faenza
Project Analyst

Handwritten signature of Martha J. Frisone

Martha J. Frisone
Chief

cc: Nursing Home Licensure and Certification Section, 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: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



Mecklenburg Health and Rehabilitation, LLC  
Porter Road Healthcare Properties, LLC  
229 Airport Rd. Suite 7-104  
Arden, NC 28704

February 21, 2020

Martha Frisone, Assistant Chief  
Certificate of Need Section  
N.C. Department of Health and Human Services  
Division of Health Service Regulation  
809 Ruggles Dr.  
Raleigh, NC 27603

**RE: Notice of Exempt Acquisition by Purchase of North Carolina Skilled Nursing Facility Pursuant to N.C. Gen. Stat. 131E-184(a)(1) and (8): Mecklenburg Health and Rehabilitation, LLC (operator); Porter Road Healthcare Properties, LLC (land and building owner)**

Dear Ms. Frisone:

Pursuant to N.C. Gen. Stat. 131E-184(a)(1) and (8) to provide notice to the N.C. Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section, I am writing regarding Porter Road Healthcare Properties, LLC intent to acquire via purchase a facility in Charlotte, NC, named Mecklenburg Health Care Center, Inc.

Mecklenburg Health Care Center is located at 2415 Sandy Porter Rd. Charlotte, NC 28273 (License Number: NH0570). The facility is licensed for 100 skilled nursing beds. Pursuant to N.C. Gen. Sate. 131E-176(9b), the Facility is a "health service facility".

Mecklenburg Health and Rehabilitation, LLC is a North Carolina Limited Liability Company. Mecklenburg Health and Rehabilitation intends to lease the facility from Porter Road Healthcare Properties, LLC on April 1, 2020. Porter Road Healthcare Properties, LLC is also a North Carolina Limited Liability Company and will purchase the land and building on April 1, 2020.

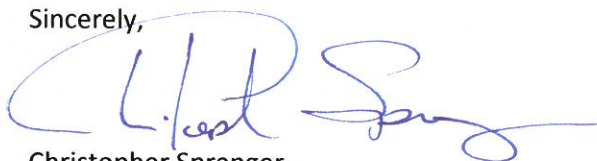
N.C. Gen. Stat. 131E-176(16)(l) provides that the purchase, lease, or acquisition of any health service facility, or portion thereof, which was developed pursuant to a certificate of need qualifies as a "new institutional health service". N.C. Gen. Stat. 131E-178(b) provides that "[n]o person shall make an acquisition of donation, lease, transfer or comparable arrangement without first obtaining a certificate of need from the Department, if the acquisition would have been a new institutional health service if it had been made by purchase". N.C. Gen. Stat. 131E-184(a)(1) and (8) provide that the acquisition of an existing health service facility, including equipment owned by the health service facility at the time of acquisition, is exempt from CON review upon prior written notice to the Agency of the proposed acquisition.

The acquisition of the Facility via the purchase and lease arrangement I have described herein 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 Agency review under applicable Certificate of Need statutes or regulation. Rather, the transaction I have described herein qualifies as an "exempt transaction, within the meaning of N.C. Gen Stat. 131E-184(a)(8). This correspondence is intended to serve as the prior written notice to the Agency required by N.C. Gen. Stat. 131E-184(a)(1) and (8).

Please provide me with written confirmation that this transaction is exempt from CON review pursuant to N.C. Gen. Stat. 131E-184(a)(1) and (8). We would be very appreciative if this reply could be expedited.

I appreciate your attention to this matter. Please contact me with any questions at 919-608-9123.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Sprenger", with a large, stylized initial "C" and a long, sweeping underline.

Christopher Sprenger

Manager

Mecklenburg Health and Rehabilitation, LLC

Porter Road Healthcare Properties, LLC