



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

July 13, 2020

Elizabeth Runyon
Elizabeth.runyon@unchealth.unc.edu

No Review
Record #: 3314
Facility Name: Rex Home Services
FID #: 944099
Business Name: UNC Health Care System
Business #: 2991
Project Description: Internal corporate reorganization
County: Wake

Dear Ms. Runyon:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence 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 that correspondence is not governed by, and therefore, does not currently require a certificate of need. 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.

You may 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.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office.

Please do not hesitate to contact this office if you have any questions.

Sincerely,

Handwritten signature of Kim Meymandi

Kim Meymandi
Project Analyst

Handwritten signature of Martha J. Frisone

Martha J. Frisone
Chief

cc: Acute and Home Care 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



July 1, 2020

VIA ELECTRONIC MAIL

Mr. Michael McKillip, Project Analyst  
NC Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section  
809 Ruggles Drive  
Raleigh, NC 27603  
mike.mckillip@dhhs.nc.gov

RE: No Review Request by UNC Health Care System Regarding Intra-Organizational  
Restructure to Home Care Agency

Dear Mr. McKillip:

UNC Hospitals (“UNCH”) and Rex Hospital, Inc. (“Rex”), who both share the same parent UNC Health Care System (“UNCHCS”), provide this letter as notice to the Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (“Agency”) that they plan to reorganize their existing home care agencies to increase consistency, achieve operational efficiencies, and simplify their corporate structure. The parties seek confirmation that this change, which is essentially an intra-organizational restructure, does not implicate certificate of need (“CON”) review and does not require a CON.

There are a total of three home care agencies currently owned by UNCH and Rex:

- UNC Home Health, 1101 Weaver Dairy Road, Chapel Hill (License HC0030)
- UNC Home Health, 287 East Street, Suite 221, Pittsboro (License HC2803)<sup>1</sup>
- Rex Home Services, 1500 Sunday Drive, Suite 110, Raleigh (License HC0422)

Both of the UNC Home Health agencies are owned by UNCH, and they will not be impacted by this reorganization. Copies of the licenses for these agencies are attached as Exhibit 1. Through this proposed reorganization, UNCHCS desires to bring the Rex Home Services agency, which is currently owned by Rex, under common ownership with the UNCH home care agencies. A copy of the license for this agency is attached as Exhibit 2. Attached as Exhibit 3 is a graphic depiction of the current ownership structure for these three agencies.

Essentially, the parties propose to bring all three home care agencies under the common ownership of UNCH, to gain operational efficiencies and streamline administrative functions such as staffing and management. The ultimate parent of all three agencies will remain

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<sup>1</sup> The Pittsboro agency is operated as a branch office of the Chapel Hill parent office.

UNCHCS; however Rex Home Services will become an agency under UNCH ownership, and will become a branch office of the UNC Home Care Chapel Hill office. This reorganization will allow the parties to achieve common ownership by UNCH across these three agencies. See Exhibit 4 for a graphic depiction of the proposed ownership structure after the corporate reorganization.

Importantly, this proposal will not result in any change to the services provided or the geographic area served by each of these agencies. Each of these three home care agencies will continue to serve patients from their existing offices in their existing service areas exactly as they do currently. There are no proposed changes impacting the care provided to patients by these agencies. The ultimate parent company of the agencies (UNCHCS) will also not change. The proposed reorganization is best summarized in Exhibits 3 and 4.

In sum, the parties do not believe the proposed reorganization constitutes a “new institutional health service” as that term is defined in N.C. Gen. Stat. § 131E-176(16). The intra-organizational restructure will bring all three home care agencies under the UNCH umbrella. The same services will be provided to the same patients in the same geographic areas where they are currently served. Further, there will be no capital expenditure related to this proposed change, and there will be no development of any additional home care offices or agencies as part of the change. For all the foregoing reasons, the parties believe the proposed reorganization to bring these three agencies under the common ownership of UNCH does not require a certificate of need.

The parties respectfully request written confirmation from the Agency that the proposal described herein does not implicate CON review and does not require a CON. Please don't hesitate to contact me should you need any additional information or have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Runyon".

Elizabeth Runyon  
System Director of Regulatory Affairs & Special Counsel  
UNC Health

# State of North Carolina

Department of Health and Human Services  
Division of Health Service Regulation

Effective January 01, 2020, this license is issued to  
**University of North Carolina Hospitals at Chapel Hill**

to operate an agency known as

**UNC Home Health**

located at 287 East Street; Suite 221  
City of Pittsboro, North Carolina.

This license is issued subject to the statutes of the  
State of North Carolina, is not transferable and shall expire  
midnight December 31, 2020.

Facility ID: 040834

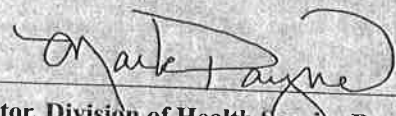
License Number: **HC2803**

**Home Care Services:** Nursing Care, Infusion Nursing, In-home Aide, Medical Social Services, Physical Therapy,  
Occupational Therapy, Speech Therapy, Companion, Sitter, Respite  
This agency is authorized to provide Medicare-certified home health services.

Authorized by:



Secretary, N.C. Department of Health and  
Human Services



Director, Division of Health Service Regulation

# State of North Carolina

## Department of Health and Human Services Division of Health Service Regulation

*Effective January 01, 2020, this license is issued to  
University of North Carolina Hospitals*

*to operate an agency known as  
UNC Home Health*

*located at 1101 Weaver Dairy Road  
City of Chapel Hill, North Carolina.*

*This license is issued subject to the statutes of the  
State of North Carolina, is not transferable and shall expire  
midnight December 31, 2020.*

*Facility ID: 923988*

*License Number: HC0030*

*Home Care Services: Nursing Care , Infusion Nursing , In-home Aide , Medical Social Services, Physical Therapy,  
Occupational Therapy, Speech Therapy, Directly Related Medical Supplies and Appliances,  
Companion, Sitter, Respite*

*This agency is authorized to provide Medicare-certified home health services.*

Authorized by:



Secretary, N.C. Department of Health and  
Human Services



Director, Division of Health Service Regulation



# State of North Carolina

## Department of Health and Human Services Division of Health Service Regulation

*Effective January 01, 2020, this license is issued to*

***Rex Hospital, Inc.***

*to operate an agency known as*

***Rex Home Services***

*located at 1500 Sunday Drive; Unit 110*

*City of Raleigh, North Carolina.*

*This license is issued subject to the statutes of the  
State of North Carolina, is not transferable and shall expire  
midnight December 31, 2020.*

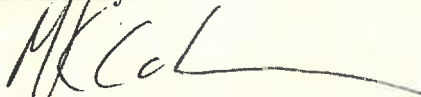
***Facility ID: 944099***

***License Number: HC0422***

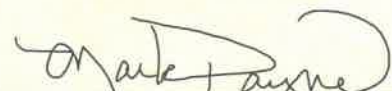
***Home Care Services: Nursing Care, Infusion Nursing, In-home Aide, Medical Social Services, Physical Therapy,  
Occupational Therapy, Speech Therapy, Companion, Sitter, Respite***

*This agency is authorized to provide Medicare-certified home health services.*

Authorized by:

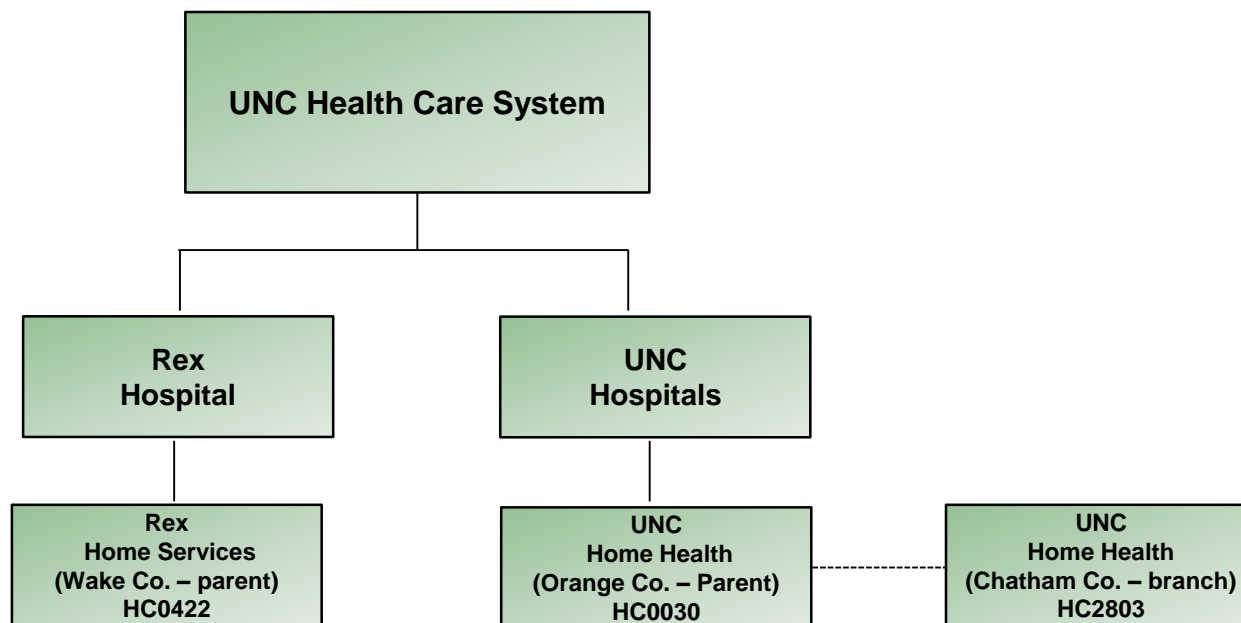


Secretary, N.C. Department of Health and  
Human Services



Director, Division of Health Service Regulation

# UNCH/Rex Home Care Services Before Consolidation



# UNC Home Care Services After Consolidation

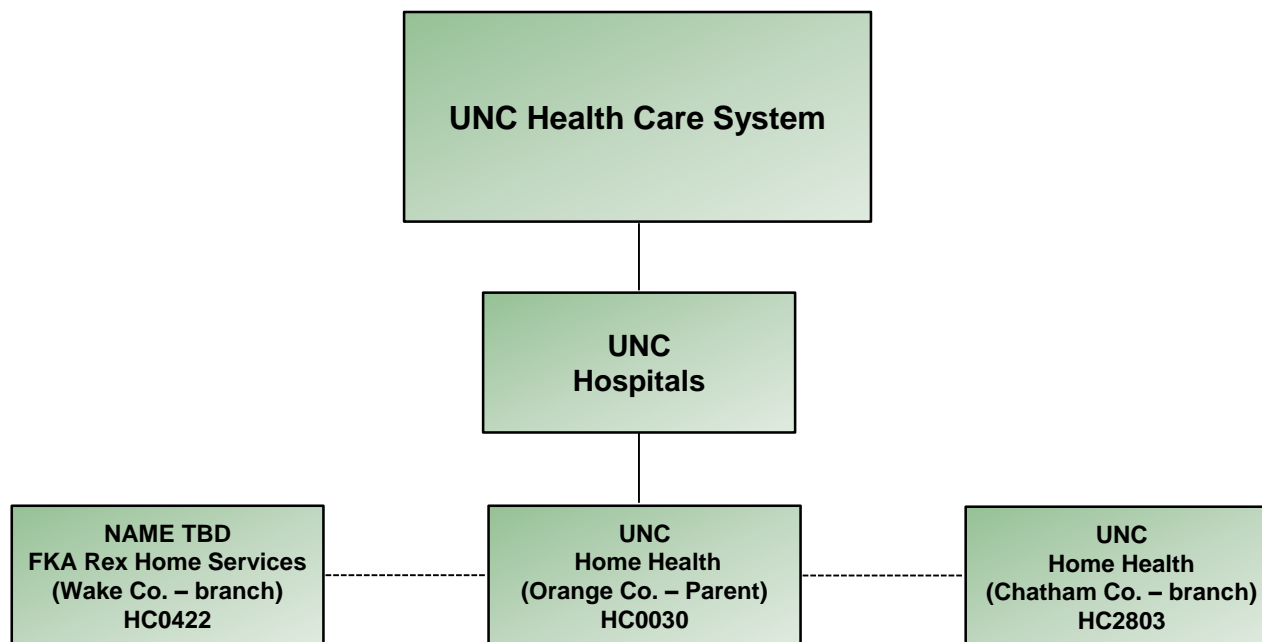


EXHIBIT 4



**From:** [Runyon, Elizabeth](#)  
**To:** [Mckillip, Mike](#)  
**Cc:** [Waller, Martha K](#)  
**Subject:** [External] UNC Health No Review  
**Date:** Wednesday, July 1, 2020 9:48:18 AM  
**Attachments:** [2020 Home Health Reorg No Review.pdf](#)  
[Ex. 1 - UNC Home Health Licenses 2020.pdf](#)  
[Ex. 2 - Rex Home Services License 2020.pdf](#)  
[Ex. 3 - Current Ownership structure Chart .pdf](#)  
[Ex. 4 - Planned Ownership structure Chart .pdf](#)

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**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Mike,

Please see attached No Review request and supporting Exhibits 1-4. Please don't hesitate to contact me with any questions.

I hope you have a nice holiday weekend!

Elizabeth

Elizabeth Frock Runyon  
System Director of Regulatory Affairs and Special Counsel  
UNC Health  
211 Friday Center Drive, Chapel Hill, NC 27517  
p (984) 215-3622  
[elizabeth.runyon@unchealth.unc.edu](mailto:elizabeth.runyon@unchealth.unc.edu)

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