



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**

November 19, 2020

Kenneth L. Burgess  
[kburgess@poynerspruill.com](mailto:kburgess@poynerspruill.com)

**Exempt from Review**

**Record #:** 3435  
**Facility Name:** Signature HealthCARE of Chapel Hill  
**FID #:** 923268  
**Business Name:** LP Chapel Hill LLC  
**Business #:** 2231  
**Project Description:** Renovations to an existing nursing facility with no change in the number of licensed beds  
**County:** Orange

Dear Mr. Burgess:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of **November 16, 2020**, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(e). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Agency’s Construction and Nursing Home Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. 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 the Agency. 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.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Kim Meymandi  
Project Analyst

Martha J. Frisone  
Chief

cc: Construction Section, DHSR  
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

November 16, 2020

Kenneth L. Burgess  
*Partner*  
D: 919.783.2917  
F: 919.783.1075  
kburgess@poynerspruill.com

VIA EMAIL

Martha Frisone  
Chief  
N.C. Division of Health Service Regulation  
Healthcare Planning and Certificate of Need Section  
2704 Mail Service Center  
Raleigh, N.C. 27699-2704  
**Via email to: [martha.frisone@dhhs.nc.gov](mailto:martha.frisone@dhhs.nc.gov)**

**RE: *Signature HealthCARE of Chapel Hill Notice of Exemption***

Dear Martha:

I am writing on behalf of our client, Signature HealthCARE of Chapel Hill (“Signature”), 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” or “the CON Section”) of our client’s plans to undertake certain renovations at their Chapel Hill skilled nursing facility (“SNF”), as described further herein. For the reasons set forth below, we believe that these renovations are exempt from CON Section review and do not necessitate a certificate of need (“CON”). I am writing to request written confirmation that the project as described herein does not require a CON.

Signature’s Chapel Hill SNF is located at 1602 East Franklin Street in Chapel Hill, Orange County, North Carolina (“the Facility”). The Facility is currently licensed for one hundred and eight (108) SNF beds pursuant to license number NH0329. The Facility’s provider number as listed on the DHSR website is 345225.

As noted above, Signature plans to undertake renovations at the Facility which will include:

1. The conversion of fourteen (14) existing semi-private resident rooms to twenty-eight (28) private rooms. The Facility’s existing fourteen (14) semi-private rooms will be converted to private rooms and fourteen (14) additional private rooms will be constructed but, as noted, the Facility’s total licensed bed capacity will not increase;
2. Renovation of the existing resident dining space;
3. Increasing the size of the Facility’s therapy gym;
4. Increasing parking spaces;
5. Certain upgrades to the Facility’s exterior façade; and
6. An improved and upgraded drainage system.

The project will not involve an increase in the Facility’s total licensed bed capacity of one hundred and eight (108) SNF beds, the addition or development of any other new health service or facility which qualifies as a “new institutional health services” within the meaning of the North Carolina CON Law, or the

Martha Frisone  
November 16, 2020  
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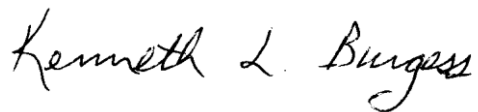
acquisition of any "major medical equipment" within the meaning of the CON Law. The total project costs are expected to be approximately five million, nine hundred thousand dollars (\$5,900,000.00).

Each of the renovations planned by Signature and described herein are exempt from further CON review and from the need to first obtain a CON before project development, pursuant to N.C. Gen. Stat. section 131E-184(a)(4) as to the parking and related grounds improvements, and section 131E-184(e) as to the remaining improvements, all of which involve the conversion of semi-private rooms to private rooms, the renovation of resident dining, therapy and common area spaces, and general exterior Facility upgrades.

Please accept this Notice of Exemption as the "prior written notice" required by the CON statute regarding these Facility upgrades and renovations, which notice is a condition of the CON exemption set forth in the CON Law. We would greatly appreciate written confirmation from the CON Section that this project as described herein is exempt from further CON review and/or the need to obtain a CON for project development.

Please advise if you have questions or need further information regarding the project or this Notice of Exemption.

Sincerely yours,

A handwritten signature in black ink that reads "Kenneth L. Burgess". The signature is written in a cursive style with a large, stylized initial 'K'.

**Kenneth L. Burgess**  
*Partner*

cc: David Beck, Esq.

**From:** [Frisone, Martha](#)  
**To:** [Waller, Martha K](#)  
**Subject:** Fwd: [External] Attached Notice of Exemption  
**Date:** Monday, November 16, 2020 2:35:29 PM  
**Attachments:** [image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[Executed Signature Chapel Hill CON Exemption Notice.pdf](#)

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**From:** Burgess, Kenneth L. <KBurgess@poynerspruill.com>  
**Sent:** Monday, November 16, 2020 2:18:14 PM  
**To:** Frisone, Martha <martha.frisone@dhhs.nc.gov>  
**Cc:** David Beck <dbeck@signaturehealthcarellc.com>  
**Subject:** [External] Attached Notice of Exemption

**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)

Martha, on behalf of our client Signature HealthCARE of Chapel Hill, attached please find a Notice of Exemption we are filing in connection with certain SNF renovations and expansions that are CON-exempt under G.S. 131E-184. Please let me know if you or the assigned analyst has any questions or needs additional information. Thanks, Ken Burgess

**Kenneth L. Burgess** | Partner



1151 Falls Road, Suite 1000  
Rocky Mount, N.C. 27804

**D:** 919 783 2917 | **M:** 919 449 4754

[Kburgess@poynerspruill.com](mailto:Kburgess@poynerspruill.com) | [www.poynerspruill.com](http://www.poynerspruill.com)

*Due to the increasing risks posed by the spread of COVID-19, we have made the decision to have all attorneys and staff work remotely. This decision comes after much planning and close monitoring of media and local government coverage of the virus.*

*Maintaining a safe work environment, while continuing to serve our clients is our highest priority. We have taken steps to ensure that our attorneys and staff are equipped with the proper technology that will allow them to seamlessly serve our clients. Thank you for your patience and understanding during this time of uncertainty.*



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This message constitutes a confidential attorney-client communication. If you have received this communication in error, do not read it. It is not intended for transmission to, or receipt by, any unauthorized persons. Please delete it from your system without copying it, and notify the sender by reply email or by calling 919-783-6400, so that our address record can be corrected. Thank you.

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