



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section

2704 Mail Service Center ■ Raleigh, North Carolina 27699-2704

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary
February 1, 2012

www.ncdhhs.gov/dhsr

Craig R. Smith, Section Chief
Phone: 919-855-3875
Fax: 919-733-8139

H. Todd Kaestner
Brookdale Senior Living
111 Westwood Place, Suite 400
Brentwood, TN 37027

RE: Exemption from Review/ Acquisition of Care Connection home health agency from Hospice of the Piedmont, Inc. by Innovative Senior Care Home Health of High Point, LLC / Guilford County
FID #: 953899


Dear Mr. Kaestner:


In response to your letter of December 7, 2011, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S. §131E-184(a)(8). Therefore you may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However you need to contact the Acute and Home Care Licensure and Certification Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C.G.S. §131E-181(b): *"A recipient of a certificate of need, or any person who may substantially 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. Also, in all future correspondence you should reference the Facility I.D. # (FID).

Sincerely,


Lisa Pittman
Project Analyst


Craig R. Smith, Chief
Certificate of Need Section

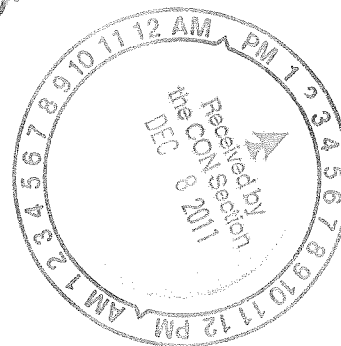
cc: Medical Facilities Planning Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR





**BROOKDALE®
SENIOR LIVING**

Lisa



December 7, 2011

Via Hand Delivery

Craig R. Smith, Chief
Certificate of Need Section
Division of Health Service Regulation
N.C. Department of Health and Human Services
809 Ruggles Drive
Raleigh, NC 27603

RE: Notice of Exempt Acquisition of an Existing Health Care Facility

Dear Mr. Smith:

This letter constitutes prior written notice pursuant to N.C. Gen. Stat. § 131E-184(a)(8) that Innovative Senior Care Home Health of High Point, LLC, a Delaware limited liability company authorized to do business in North Carolina ("Innovative"), intends to acquire the existing home health agency owned by the Hospice of the Piedmont, Inc. d/b/a Care Connection, a North Carolina nonprofit corporation ("Care Connection"), pursuant to the exemption provisions in the Certificate of Need Act (the "CON Act").

Factual Background

Care Connection is located in Guilford County, North Carolina. Care Connection owns and operates a licensed, Medicare certified, home health care agency, facility ID 953899, license number HC0395 (the "HHA"). See Exhibit A. The HHA has provided services to patients of North Carolina and has been accepted to participate as a Home Health Agency under the Medicare program since 1984. The HHA's Medicare provider identification number is 34-7120. See Exhibit B.

Under current North Carolina law, an entity that is designated as a "home health agency," as defined in N.C. Gen. Stat. § 131E-176(12), must submit a Certificate of Need ("CON") application and receive CON approval prior to offering "home health services," as defined in N.C. Gen. Stat. § 131E-176(12). Pursuant to government approval, the HHA has been engaged in the provision of home care services since 1984.

Analysis

Under North Carolina law, a CON must be obtained before offering or developing a new institutional health service. N.C. Gen. Stat. § 131 E-178(a). A "new institutional health service" is expressly defined in N.C. Gen. Stat. § 131 E-176(16) to include the purchase, lease, or acquisition of any health service facility. "Health service facility" includes a home health agency. N.C. Gen. Stat. § 131 E-176(9b).

The CON Act enumerates certain situations, however, in which an applicant is exempt from CON review. Innovative's acquisition of the HHA fits squarely within N.C. Gen. Stat. § 131E-184(a)(8)'s exemption for the acquisition of "an existing health service facility, including equipment owned by the health service facility at the time of acquisition." Pursuant to the terms of the proposed agreement between Innovative and Care Connection, Innovative will purchase substantially all of the HHA's operating assets, and will thereby assume ownership and operation of the HHA. Innovative's acquisition of the HHA is therefore exempt from CON review, and the parties need not obtain a CON in order to finalize the agreement.

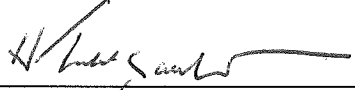
Mr. Craig R. Smith
Chief, CON Section
December 7, 2011
Page 2

Please let us know if you have any questions or need additional information. Given the proposed closing date of December 31, 2011, for the aforementioned transaction, we would greatly appreciate receiving your written confirmation no later than December 28, 2011, that the acquisition of the HHA by Innovative is exempt from certificate of need review under the CON Act and that no CON is required for the proposed transaction. We appreciate your consideration and prompt attention.

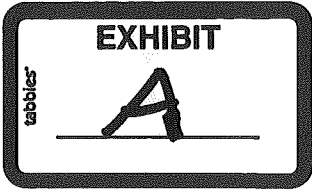
Please contact us if you have any questions or need any additional information.

Very truly yours,

INNOVATIVE SENIOR CARE HOME HEALTH OF HIGH POINT, LLC

By: 
Name: H. Todd Kaestner
Its: Executive Vice President, Brookdale Senior Living

cc: Renee Montgomery, Esq.
Kenneth L. Burgess, Esq.



State of North Carolina
Department of Health and Human Services
Division of Health Service Regulation

Effective January 01, 2011, this license is issued to
Hospice of the Piedmont, Inc.

to operate an agency known as
Cure Connection

located at 1801 Westchester Drive
City of High Point, 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, 2011.

Facility ID: 953899

License Number: HC0395

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

Authorized by:

[Signature]
Secretary, N.C. Department of Health and
Human Services



[Signature]
Director, Division of Health Service Regulation



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health
Administration

Regional
101 Marietta Tower Rm. 523
Atlanta GA 30323



December 11, 1984

Hospice of the Piedmont, Inc.
305 North Main Street
High Point, North Carolina 27260

Re: Provider Identification Number: 34-7120

Your agreement for participation as a provider of services under the Health Insurance for the Aged and Disabled Program (Title XVIII of the Social Security Act) has been accepted by the Health Care Financing Administration. In accordance with the provisions of CFR 489.13, your earliest effective date of participation is September 19, 1984. Enclosed is one copy of the completed agreement for your records.

You have been assigned the identification number shown above. This number should be entered on all forms and correspondence relating to this program. Your home Health Agency is certified to perform the following services:

- Direct - Nursing Care
- Direct - Physical Therapy
- Direct - Occupational Therapy
- Direct - Speech Therapy
- Direct - Medical Social Services
- Direct - Home Health Aide
- Under Arrangement - Home Health Aide

The State Agency has advised you of any deficiencies found during their survey. If any deficiencies were cited, your plan of correction has been considered in making this determination. You should also report any changes in staffing, services, ownership, or other characteristics which might affect your certification status to the State Agency.

Blue Cross and Blue Shield of North Carolina has been authorized to serve as your fiscal intermediary.

If you believe that this determination is not correct in any respect, you may request that it be reconsidered. The request must be submitted in writing to this office within 60 days of receipt of this notice. You may submit with the reconsideration request any information that you feel may have a bearing on the determination.

We welcome your participation and look forward to working with you to achieve an efficient administration of the Health Insurance Program.

Sincerely yours,

Clarence J. Boone
Associate Regional Administrator
Division of Health Standards and Quality

Enclosure

State of North Carolina
Department Of Human Resources
Division Of Facility Services 2071

Certificate Of Need

Project Identification Number G-1843-83 Effective Date October 28, 1983

Issued To: Personnel Pool of Greensboro, Inc.

600 Green Valley Road, Suite 201, Greensboro, NC 27408

The North Carolina Department of Human Resources, pursuant to the North Carolina Health Planning and Resource Development Act of 1978, G. S. § 131-175 et seq., hereby finds and certifies that the new institutional health service proposed by the person listed above sufficiently satisfies the plans, standards, and criteria prescribed by the Act and the rules and regulations promulgated thereunder. The findings of the Department are attached hereto and incorporated by reference.

This Certificate affords the person listed above the opportunity to proceed with development of the proposed new institutional health service in a manner consistent with the conditions and limitations set forth herein and with the requirements of the Act and the rules and regulations promulgated thereunder. This Certificate includes and is limited to:

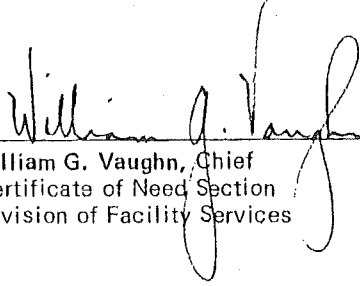
Establishment of a Home Health Agency in Guilford County.

Total Cost: None

Progress Report Due: January 1, 1984

This Certificate is limited to the person listed above and is not transferable or assignable. This Certificate is valid until the 31st day of March, 19 84. After the aforesaid date the person listed above shall not undertake, develop, or offer the new institutional health service unless: he has met the specific performance requirements set forth by the Act, and the rules and regulations promulgated thereunder, for incurring a financial obligation; or the Department pursuant to the Act, and the rules and regulations promulgated thereunder, renews this Certificate. If the Department renews this Certificate, such renewal will be valid only for the period specified therein and after the expiration of such period the person listed above shall not undertake, develop, or offer the new institutional health service unless he has met the specific performance requirements set forth by the Act, and the rules and regulations promulgated thereunder, for incurring a financial obligation.

Issuance of this Certificate does not supplant provisions or requirements embodied in codes, ordinances, statutes other than G. S. § 131-175 et seq., rules, regulations or guidelines administered or enforced by municipal, state or federal agencies or the agent thereof.


William G. Vaughn, Chief
Certificate of Need Section
Division of Facility Services