



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

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Division Director

August 20, 2013

Charles E. Trefzger, Jr.
P.O. Box 2568
Hickory, NC 28603-2568

Exempt from Review – Acquisition of Facility

Facility: Senter's Rest Home
Acquisition by: IP Fuquay Varina Properties, LLC
County: Harnett
FID #: 921084

Dear Mr. Trefzger:

In response to your letter of August 2, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, IP West End Properties, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Adult Care Licensure 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 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."*

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.

Sincerely,

Tanya S. Rupp
Project Analyst

Craig R. Smith, Chief
Certificate of Need Section

cc: Medical Facilities Planning Branch, DHSR
Adult Care Licensure Section, DHSR



Certificate of Need Section

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Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

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Fuquay-Varina Health Holdings, LLC

Post Office Box 2568
Hickory, North Carolina 28603-2568

August 2, 2013

Mr. Craig Smith, Chief
Certificate of Need Section
Division of Health Service Regulation
Department of Health and Human Services
Dorothea Dix Hospital Campus
809 Ruggles Drive
Raleigh, NC 27603



**Re: Exemption Notice for Senter's Rest Home (Adult Care Home in Harnett County)
Facility ID: 921084**

Dear Mr. Smith:

IP Fuquay Varina Properties, LLC ("IP Fuquay Varina") is planning to acquire an adult care home in Harnett County, currently known as Senter's Rest Home (hereafter "the Facility"). The Facility is located at 40 Rawls Club Road in Fuquay-Varina, North Carolina. The Facility is listed in the "Inventory of Adult Care Home Beds" in the 2013 State Medical Facilities Plan as having 50 adult care home beds (see Exhibit A).

IP Fuquay Varina is seeking to purchase the Facility through a purchase and sale agreement. The purpose of this letter is to provide prior notice of this acquisition, which is exempt from Certificate of Need ("CON") review, to the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (the "Agency"). IP Fuquay Varina seeks confirmation that it is permitted to acquire the Facility as described herein without CON Review, thus acquiring the Facility's existing CON rights to own that existing health service facility (as defined in the CON statute) with 50 adult care beds.

I. THE PROPOSAL

As of this date, AA Holdings - Fuquay Varina, LLC owns the property and building comprising the Facility, which is an existing "health service facility," as that term is defined in N.C. Gen. Stat. § 131E-176(9)(b), and Fuquay-Varina Health Holdings, LLC is the Licensee. IP Fuquay Varina will purchase the Facility, and the Licensee will remain Fuquay-Varina Health Holdings, LLC. The Facility will still be known as Senter's Rest Home.

II. EXEMPTION NOTICE

Under North Carolina law, a Certificate of Need ("CON") is required only prior to offering or developing a "new institutional health service." "New institutional health service" includes a

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variety of services and activities, including a capital expenditure exceeding \$2 million. N.C. Gen. Stat. § 131E-176(16)(b).

The North Carolina General Assembly saw fit to exempt certain types of services or proposals from CON review, pursuant to N.C. Gen. Stat. § 131E-184. One such exempt service or proposal includes the acquisition of an existing health service facility, "including equipment owned by the health service facility at the time of acquisition." N.C. Gen. Stat. § 131E-184(a)(8).

This project involves only the acquisition of an existing adult care home, which falls within the purview of the statutory definition of "health service facility." After acquisition, the current Licensee, Fuquay-Varina Health Holdings, LLC, will continue to operate the Facility as an adult care home. Furthermore, IP Fuquay Varina's acquisition of the Facility does not entail the purchase of any major medical equipment or any *per se* reviewable equipment as defined in N.C. Gen. Stat. §§ 131E-176(14)(o) and (16)(f1). Likewise, the acquisition does not include the offering of any *per se* reviewable services. N.C. Gen. Stat. § 131E-176(16)(f). Thus, given that the transaction involves only the acquisition of an existing health services facility, it is exempt from CON review.

III. CONCLUSION

Based on the foregoing information, we hereby request the Agency's confirmation that the proposal described above is exempt from CON review, pursuant to N.C. Gen. Stat. § 131E-184(a)(8), and thus IP Fuquay Varina may acquire the Facility with all its existing CON rights without a CON.

In addition, we respectfully request that this request be considered on an expedited basis because the parties wish to proceed with this transaction as soon as possible. If you require additional information to consider this request, please contact us at (828) 261-7312 as soon as possible. We thank you for your consideration of this request.

Sincerely,



Charles E. Trefzger, Jr.
Manager

Enclosure

Table 11A: Inventory of Adult Care Homes (Assisted Living) Beds

County	Facility Name	Licensed Beds in Nursing Homes	Licensed Beds in Hospitals	Licensed Beds in Adult Care Facilities	CON Approved/License Pending				Available in SMFP	Total Available	Sum of Exclusions	Total Planning Inventory
					Licensed Beds	ACH Exempt	ACH Pipeline	CON Bed Transfer				
Halifax	Woodhaven Rest Home #1 - Replacement	0	0	0	0	0	0	0	0	0	60	60
Halifax	Woodhaven Rest Home #2	0	0	60	60	0	0	0	0	0	60	60
	Halifax Totals	25	20	160	205	0	0	0	205	0	205	215
Harnett	Alzheimer's Related Care	0	0	36	36	0	0	0	0	0	36	36
Harnett	Brookfield Assisted Living Center	0	0	105	105	0	0	0	0	0	105	105
Harnett	Comerstone Nursing and Rehabilitation Center	8	0	0	8	0	0	0	0	0	8	8
Harnett	Johnson Better Care Facility	0	0	50	50	0	0	0	0	0	50	50
Harnett	Oak Hill Living Center	0	0	122	122	0	0	0	0	0	122	122
Harnett	Pinecrest Gardens	0	0	60	60	0	0	0	0	0	60	60
Harnett	Primrose Villa Retirement Home II	0	0	12	12	0	0	0	0	0	12	12
Harnett	Primrose Villa Retirement Home III	0	0	12	12	0	0	0	0	0	12	12
Harnett	Senior Citizens Village	0	0	65	65	0	0	0	0	0	65	65
Harnett	Senior's Rest Home	0	0	50	50	0	0	0	0	0	50	50
Harnett	Stage Coach Manor	0	0	40	40	0	0	0	0	0	40	40
Harnett	Universal Health Care/Lillington	106	0	0	106	0	0	0	0	0	106	106
Harnett	Unprecedented Care	0	0	12	12	0	0	0	0	0	12	12
	Harnett Totals	114	0	564	678	0	0	0	678	0	678	678
Haywood	Ann Davis Rest Home (bed transfer to Haywood House)	0	0	10	10	0	0	-10	0	0	0	0
Haywood	Autumn Care of Waynesville	10	0	0	10	0	0	0	0	0	10	10
Haywood	Chestnut Park Rest Home #1	0	0	10	10	0	0	0	0	0	10	10
Haywood	Chestnut Park Retirement Center	0	0	20	20	0	0	0	0	0	20	20
Haywood	Community Care of Haywood #1	0	0	20	20	0	0	0	0	0	20	20
Haywood	Haywood House (bed transfer from Ann Davis Rest Home)	0	0	50	50	0	0	10	0	0	60	60
Haywood	Haywood Lodge and Retirement Center	0	0	68	68	0	0	0	0	0	68	68
Haywood	McCracken Rest Home	0	0	22	22	0	0	0	0	0	22	22
Haywood	Mountain Hart Retirement	0	0	20	20	0	0	0	0	0	20	20
Haywood	Pigeon Valley Rest Home	0	0	29	29	0	0	0	0	0	29	29
Haywood	Queen Retirement Home	0	0	20	20	0	0	0	0	0	20	20
Haywood	Richland Community Care #2	0	0	11	11	0	0	0	0	0	11	11
Haywood	Silver Bluff	13	0	0	13	0	0	0	0	0	13	13
Haywood	Spicewood Cottages Willows	0	0	20	20	0	0	0	0	0	20	20
	Haywood Totals	23	0	300	323	0	0	0	323	0	323	323
Henderson	Blue Ridge Retirement	0	0	43	43	0	0	0	0	0	43	43
Henderson	Cardinal Care Center - Hendersonville	0	0	60	60	0	0	0	0	0	60	60
Henderson	Carillon Assisted Living of Hendersonville	0	0	96	96	0	0	0	0	0	96	96
Henderson	Carolina Village	0	0	60	60	0	0	0	0	0	60	60
Henderson	Cherry Springs Village	0	0	60	60	0	0	0	0	0	60	60
Henderson	Country Meadow Rest Home	0	0	15	15	0	0	0	0	0	15	15
Henderson	Emeritus at Heritage Lodge	0	0	24	24	0	0	0	0	0	24	24
Henderson	Hampton House #1	0	0	10	10	0	0	0	0	0	10	10
Henderson	Hampton House #2	0	0	30	30	0	0	0	0	0	30	30
Henderson	Henderson's Assisted Living	0	0	26	26	0	0	0	0	0	26	26
Henderson	McCullough's Rest Home	0	0	13	13	0	0	0	0	0	13	13
Henderson	Mountain View Assisted Living	0	0	27	27	0	0	0	0	0	27	27
Henderson	Spring Arbor of Hendersonville II	0	0	61	61	0	0	0	0	0	61	61
Henderson	Spring Arbor West	0	0	48	48	0	0	0	0	0	48	48
Henderson	The Laurels of Hendersonville	20	0	0	20	0	0	0	0	0	20	20
	Henderson Totals	20	0	573	593	0	0	0	593	0	593	593
Hertford	Ahoskie House	0	0	60	60	0	0	0	0	0	60	60
Hertford	Pinewood Manor	0	0	92	92	0	0	0	0	0	92	92
Hertford	Twin Oaks Adult Home	0	0	21	21	0	0	0	0	0	21	21