



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

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August 9, 2013

Charles E. Trefzger, Jr.
1270 25th Street Place, SE
Hickory, NC 28602-9657

Exempt from Review – Acquisition of Facility


Facility: Willow Ridge Assisted Living
Acquisition by: NC4 Willowridge, LLC
County: Mecklenburg
FID #: 920521


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 Charlotte 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,


Fatimah Wilson
Project Analyst


Craig R. Smith, Chief
Certificate of Need Section

cc: Adult Care Licensure Section, DHSR



Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

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

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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Charlotte Health Holdings, LLC

Post Office Box 2568
Hickory, North Carolina 28603-2568

Calvert

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 Willow Ridge Assisted Living (Adult Care Home in Mecklenburg County)
Facility ID: 920521**

Dear Mr. Smith:

IP Charlotte Properties, LLC ("IP Charlotte") is planning to acquire an adult care home in Mecklenburg County, currently known as Willow Ridge Assisted Living (hereafter "the Facility"). The Facility is located at 2140 Milton Road in Charlotte, North Carolina. The Facility is listed in the "Inventory of Adult Care Home Beds" in the 2013 State Medical Facilities Plan as having 52 adult care home beds (see Exhibit A).

IP Charlotte 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 Charlotte 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 52 adult care beds.

I. THE PROPOSAL

As of this date, HCLRC, 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 Charlotte Health Holdings, LLC is the Licensee. IP Charlotte will purchase the Facility, and the Licensee will remain Charlotte Health Holdings, LLC. The Facility will still be known as Willow Ridge Assisted Living.

II. EXEMPTION NOTICE

Mr. Craig Smith, Chief
Certificate of Need Section
August 2, 2013
Page Two

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 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, Charlotte Health Holdings, LLC, will continue to operate the Facility as an adult care home. Furthermore, IP Charlotte'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 Charlotte 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	Total Licensed Beds	CON Approved/License Pending				Available in SMFP	Total Available	Sum of Exclusions	Total Planning Inventory
						Licensed Beds in Adult Care Facilities	CON	ACH Exempt	ACH Pipeline				
Mecklenburg	East Towne	0	0	0	120	0	0	0	0	0	120	0	120
Mecklenburg	Elmcraft of Little Avenue	0	0	0	62	0	0	0	0	0	62	0	62
Mecklenburg	Emeritus at Eastover	0	0	0	104	0	0	0	0	0	104	0	104
Mecklenburg	Emeritus at South Park	0	0	0	56	0	0	0	0	0	56	0	56
Mecklenburg	Helton Manor West	0	0	0	120	0	0	0	0	0	120	0	120
Mecklenburg	Hunter Village	0	0	0	68	0	0	0	0	0	68	0	68
Mecklenburg	Hunter Woods Nursing & Rehabilitation Center	10	0	0	10	0	0	0	0	0	10	0	10
Mecklenburg	Lawyers Glen Retirement Living Center	0	0	0	82	0	0	0	0	0	82	0	82
Mecklenburg	Lee's Living Center	0	0	0	48	0	0	0	0	0	48	0	48
Mecklenburg	Legacy Heights Senior Living Community	0	0	0	122	0	0	0	0	0	122	0	122
Mecklenburg	Parker Terrace at Aldersgate	10	0	0	53	0	0	0	0	0	53	0	53
Mecklenburg	Pineville Rehabilitation and Living Center	0	0	0	10	0	0	0	0	0	10	0	10
Mecklenburg	Presion House	0	0	0	40	0	0	0	0	0	40	0	40
Mecklenburg	Regency Retirement Village	0	0	0	119	0	0	0	0	0	119	0	119
Mecklenburg	Saturn Nursing and Rehabilitation Center	20	0	0	20	0	0	0	0	0	20	0	20
Mecklenburg	Sharon Towers	40	0	0	40	0	0	0	0	0	40	0	40
Mecklenburg	Slay's Rest Home	0	0	0	12	0	0	0	0	0	12	0	12
Mecklenburg	Southminster	40	0	0	40	0	0	0	0	0	40	0	40
Mecklenburg	Summit Place of Southpark	0	0	0	120	0	0	0	0	0	120	0	120
Mecklenburg	Sunrise on Providence	0	0	0	95	0	0	0	0	0	95	0	95
Mecklenburg	The Arbons at Carriage Club of Charlotte	0	0	0	34	0	0	0	0	0	34	0	34
Mecklenburg	The Cove at Wilora Lake Lodge	0	0	0	50	0	0	0	0	0	50	0	50
Mecklenburg	The Haven in Highland Creek	0	0	0	60	0	0	0	0	0	60	0	60
Mecklenburg	The Haven in the Village at Carolina Place	0	0	0	60	0	0	0	0	0	60	0	60
Mecklenburg	The Laurels in Highland Creek	0	0	0	105	0	0	0	0	0	105	0	105
Mecklenburg	The Laurels in the Village at Carolina Place	0	0	0	104	0	0	0	0	0	104	0	104
Mecklenburg	The Little Flower Assisted Living Residence	0	0	0	49	0	0	0	0	0	49	0	49
Mecklenburg	The Parc at Sharon Amity	0	0	0	64	0	0	0	0	0	64	0	64
Mecklenburg	The Pines at Davidson	30	0	0	30	0	0	0	0	0	30	5	25
Mecklenburg	University Place Nursing and Rehabilitation Center	10	0	0	10	0	0	0	0	0	10	0	10
Mecklenburg	Watsonwood Conswood (bed transfer from Charlotte Manor + 85 beds per CON agreement)	0	0	0	0	85	0	0	0	40	125	0	125
Mecklenburg	Wedington Park	0	0	0	83	0	0	0	0	0	83	0	83
Mecklenburg	Willow Ridge Assisted Living	0	0	0	52	0	0	0	0	0	52	0	52
Mecklenburg	WillowBrooke Court/Plantation Estates	60	0	0	60	0	0	0	0	0	60	10	50
Mecklenburg	Wilora Lake Healthcare Center	20	0	0	20	0	0	0	0	0	20	0	20
Mitchell	Brian Center Health & Rehab/Spruce Pine	10	0	0	2,434	85	0	0	0	340	3,109	15	3,094
Mitchell	Mitchell House	10	0	0	80	0	0	0	0	0	80	0	80
Montgomery	Autumn Care of Biscoe	10	0	0	10	0	0	0	0	0	10	0	10
Montgomery	Brookstone Haven of Star	0	0	0	54	0	0	0	0	0	54	0	54
Montgomery	Poplar Springs	0	0	0	12	0	0	0	0	0	12	0	12
Montgomery	Sandy Ridge Assisted Living	0	0	0	104	0	0	0	0	0	104	0	104
Montgomery	Tillery Chase Adult Care Home	0	0	0	60	0	0	0	0	0	60	0	60
Moore	Carolina House of Pinehurst	0	0	0	76	0	0	0	0	0	76	0	76
Moore	Elmcraft of Southern Pines	0	0	0	94	0	0	0	0	0	94	0	94
Moore	Fox Hollow Senior Living Community	0	0	0	85	0	0	0	0	0	85	0	85
Moore	Kingswood Nursing Center	10	0	0	10	0	0	0	0	0	10	0	10
Moore	Magnolia Gardens	0	0	0	110	0	0	0	0	0	110	0	110
Moore	Peak Resources - PineLake	20	0	0	20	0	0	0	0	0	20	0	20
Moore	Penick Village	29	0	0	29	0	0	0	0	0	29	0	29

Wilson, Fatimah

From: Mel Deaton [mdeaton@meridiansenior.com]
Sent: Friday, August 09, 2013 9:28 AM
To: Wilson, Fatimah
Cc: Chuck White
Subject: RE: Willow Ridge Assisted Living
Attachments: Willow Ridge Assisted Living - Jones letter re withdrawal of CHOW 070113.pdf

Ms. Wilson-

Good morning!

The first transaction involving NC4 Willow Ridge, LLC fell through, and did not occur. (Please see the attached letter to the Licensure Section.)

As Mr. White communicated to you this morning, the current transaction involving IP Charlotte Properties, LLC is a new transaction where the only thing that is changing is the Landlord. The Tenant/Operator/Licensee (Charlotte Health Holdings, LLC) will continue to operate the facility.

I hope this clarifies your question.

Please let us know if you require further information.

Respectfully,

Mel Deaton



J. Melvin Deaton

Executive Assistant

Meridian Senior Living, LLC

Mailing: P.O. Box 2568
 Hickory, NC 28603-2568

Overnight: 1270 25th Street Place, Southeast
 Hickory, NC 28602-9657

PH: (828) 261-7312 ☎

Fax: (828) 318-8733 📠

Email: mdeaton@meridiansenior.com 📧

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From: Wilson, Fatimah [mailto:fatimah.wilson@dhhs.nc.gov]
Sent: Friday, August 09, 2013 8:46 AM
To: Chuck White
Cc: Mel Deaton
Subject: Willow Ridge Assisted Living

On June 11, 2013, the Certificate of Need (CON) Section issued an exemption request for NC4 Willow Ridge, LLC to acquire ownership of the above referenced facility. On August 6, 2013 the CON Section received another request from IP Charlotte Properties, LLC to acquire the above referenced facility. Please explain/clarify the status of the first request and its relationship to the most recent request.

Thanks

Fatimah Wilson
 N.C. Department of Health and Human Services.

8/9/2013

Project Analyst, CON Section -- Division of Health Service Regulation
809 Ruggles Drive
Raleigh, NC 27603
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Charlotte Health Holdings, LLC

*Post Office Box 2568
Hickory, North Carolina 28603-2568*

July 1, 2013

Ms. Karen Jones, Administrative Officer III **via email: Karen.Jones@dhhs.nc.gov**
Adult Care Licensure Section
Division of Health Service Regulation
2708 Mail Service Center
Raleigh, NC 27699-2708


**Re: Willow Ridge Assisted Living located at 2140 Milton Road, Charlotte, NC
28215-3319
License Number: HAL-060-111**

Dear Karen:

Please consider this correspondence as confirmation that the Closing for the above referenced facility has been postponed indefinitely, and we would like to withdraw the Change License Application previously submitted on May 31, 2013.

I appreciate your assistance in this matter, and apologize for any inconvenience this may have caused. If you should have any questions or require additional information, please do not hesitate to contact me.

Sincerely,


J. Melvin Deaton
Executive Assistant

Enclosure

cc: Mr. Mike Taylor, Services for Adults Division, Division Director, Mecklenburg County DSS, P.O. Box 220999, Charlotte, NC 28222