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

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

January 14, 2014

Matthew J. Gray
3101 Glenwood Avenue
Raleigh, NC 27612

Exempt from Review – Acquisition of Facility
Facility: Madison Health and Rehabilitation
Acquisition by: Madison Healthcare Properties, LLC
County: Madison
FID #: 923319

Dear Mr. Gray:

In response to your letter of December 11, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, Madison Healthcare 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 Nursing Home 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 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,

Julie Halatek
Project Analyst

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

Martha J. Frisone, Interim Chief
Certificate of Need Section

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
An Equal Opportunity/ Affirmative Action Employer
December 11, 2013

VIA EMAIL (Martha.Waller@dhhs.nc.gov) & FACSIMILE (919) 733-8139

Julie Halatek, Project Analyst
Certificate of Need Section,
Division of Health Service Regulation,
NC Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Notice Pursuant to N.C.G.S. §131E-184(a)(8) of Exempt Acquisition of Existing Health Service Facility

Dear Ms. Halatek:

This follows our letter dated December 5, 2013 and our phone conversation earlier today. As we discussed, Madison Healthcare Properties, LLC ("MHP"), a North Carolina Limited Liability Company, plans to acquire a 100 bed adult care facility located at 345 Manor Road, Mars Hill, Madison County, North Carolina, currently known as Madison Health & Rehabilitation (the "Facility"). We write now to provide notice of the planned acquisition, which is exempt from certificate of need ("CON") review, to the North Carolina Department of Health and Human Services, Division of Health Regulation, Certificate of Need section (the "Agency").

Madison Health and Rehabilitation, LLC ("MHR") currently owns the Facility, which is an existing “health service facility,” as that term is defined in N.C.G.S. §131E-176(9b). MHR intends to transfer 100% of its ownership interest in the facility to MHP. As such, N.C.G.S. §131E-184(a)(8) exempts the transaction from CON review. In addition, MHP’s acquisition of the facility does not entail the purchase of any major medical equipment or any per se reviewable
equipment, or the offering of any per se reviewable services. N.C.G.S. §131E-176(14)(o), (16)(f), & (16)(fl).

Therefore, we hereby request that the Agency confirm that the above-described proposal is exempt from CON review pursuant to N.C.G.S. §131E-184(a)(8). If you require additional information to consider this request, please contact us at the above number as soon as possible. We thank you for your consideration of this request.

With best regards, we remain

Sincerely yours,

YOUNG MOORE AND HENDERSON P.A.

By:  

Matthew J. Gray