



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

Pat McCrory
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Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

January 13, 2014

Mr. Kenneth L. Burgess
301 Fayetteville Street
Suite 1900
Raleigh, NC 27601

Exempt from Review – Acquisition of Facility

Facility: Wilson Medical Center
Acquisition by: DLP Wilson Medical Center, Inc.
County: Wilson
FID #: 923569

Dear Mr. Burgess:

In response to your letter of January 3, 2014, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, DLP Wilson Medical Center, Inc., may proceed to acquire Wilson Medical Center, without first obtaining a certificate of need. However, you need to contact the Acute and Home Care and Licensure 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,

Bernetta Thorne-Williams
Project Analyst

Martha J. Frisone, Interim Chief
Certificate of Need Section

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

Poyner Spruill^{LLP}

Received by
the CON Section
JAN 3 2014

January 3, 2014

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

Via Hand Delivery

Ms. Martha Frisone
Acting 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 and Request for No Review Determination: Acquisition of Wilson Medical Center (FID #923569)

Dear Ms. Frisone:

Our firm represents DLP Wilson Medical Center, Inc. ("DLP Wilson") and DLP Healthcare, LLC ("DLP Healthcare"). We are providing this letter pursuant to N.C. Gen. Stat. § 131E-184(a)(8) to inform the Certificate of Need Section ("CON Section") that DLP Wilson proposes to acquire ownership and control of substantially all of the assets of Wilson Medical Center, Inc. ("WMC") As you are probably aware, WMC owns and operates an acute care hospital (Lic. No. H0210), located in Wilson, North Carolina.

DLP Healthcare and WMC entered into a contribution agreement dated December 20, 2013, pursuant to which substantially all of the assets of WMC will be transferred to DLP Wilson Holding Company, LLC and its subsidiaries. DLP Wilson Holding Company, LLC is a joint venture between DLP Healthcare and WMC. DLP Healthcare is a joint venture between Duke Quality Network, Inc. (a wholly-controlled affiliate of Duke University Health System, Inc.) and DLP Partner, LLC, a Delaware company which is a related entity to LifePoint Hospitals, Inc., a publicly-traded company that operates 57 hospital campuses in 20 states. An organizational chart depicting the post-closing corporate ownership structure is attached for your convenience.

DLP Healthcare was formed for purposes of strengthening and improving the delivery of healthcare services throughout North Carolina and the surrounding regions by creating flexible affiliation options for community hospitals. DLP Healthcare currently has affiliation and/or joint ownership arrangements with other North Carolina community hospitals.

Under the proposed transaction, DLP Wilson will acquire ownership and control of substantially all of the assets of WMC, including the acute care hospital which is an existing health service facility as defined under North Carolina's Certificate of Need Law at N.C. Gen. Stat. § 131E-176(9b). We note that WMC currently has an undeveloped Certificate of Need for the renovation of the hospital's women's and children's unit, Project I.D. No. L-10065-12. Simultaneously with the filing of this Notice of Exempt Acquisition, we are filing with the CON Section a Transfer for Good Cause Request relative to that Certificate of Need.

Ms. Martha Frisone
Acting Chief, CON Section
January 3, 2014
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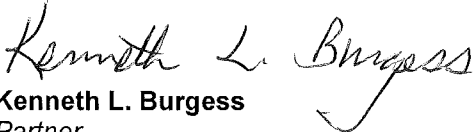
The Certificate of Need Law provides that, upon receiving prior written notice, the CON Section shall exempt from CON review the acquisition of "an existing health service facility, including equipment owned by the health service facility at the time of acquisition." N.C. Gen. Stat. § 131E-184(a)(8). Accordingly, we would appreciate receiving written confirmation that DLP Wilson's proposed transaction whereby it will acquire ownership and control of WMC's assets, as described herein, is exempt from CON review.

Thank you in advance for your prompt consideration of this request. The parties wish to close the proposed transaction on or about January 31, 2014, and we request a response from you before that time, if possible.

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

With best regards, I am

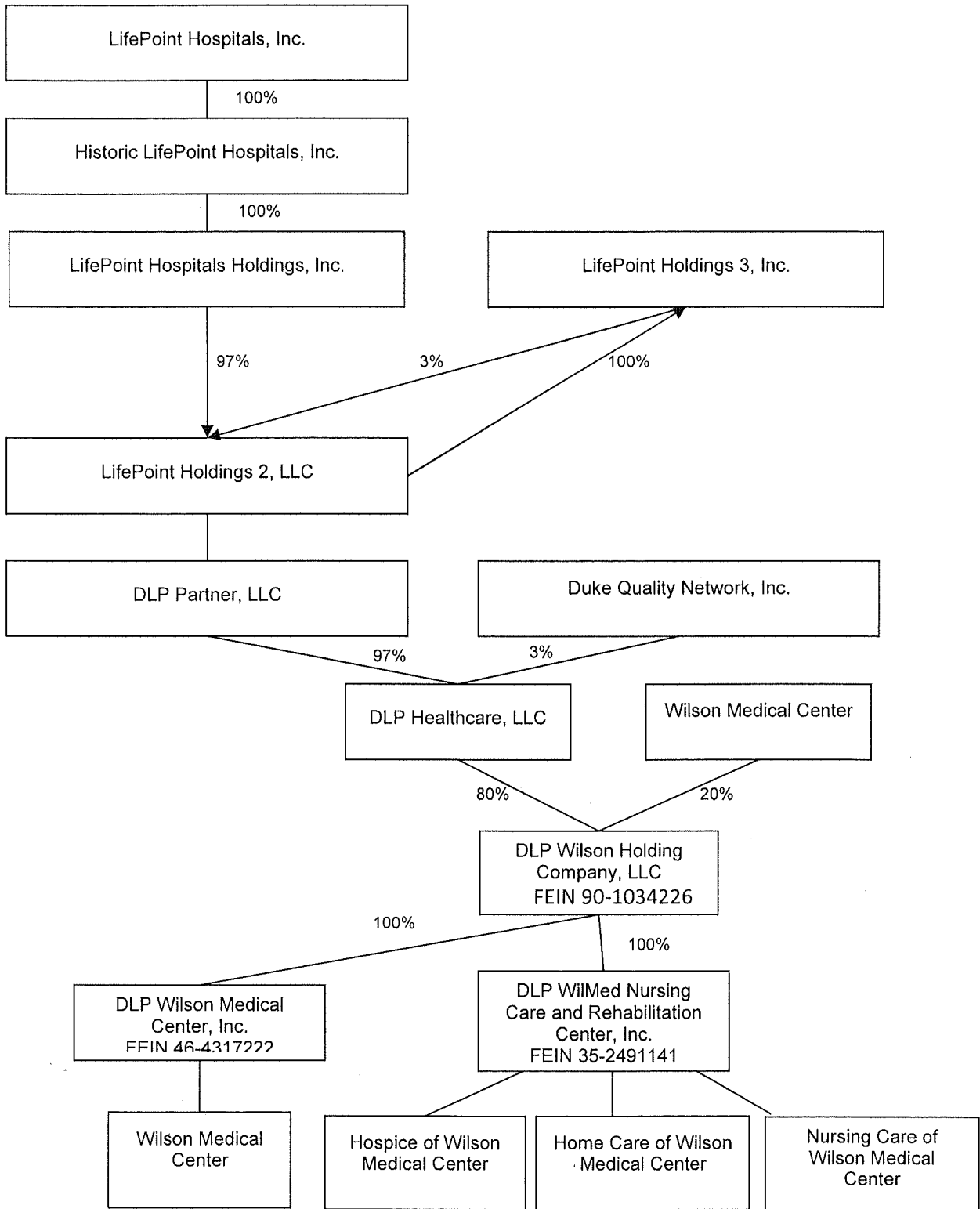
Very truly yours,


Kenneth L. Burgess
Partner

Enclosure

cc: (via e-mail, w/ enclosure)
Brandon Schirg, Esq., Counsel for DLP Healthcare
Christy Gudaitis, Esq., Counsel for Duke
Jeremy Clark, Esq., Counsel for LifePoint

Post-Closing Organizational Chart



--- indirect wholly owned subsidiary