



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

March 11, 2014

Terrill Johnson Harris
300 North Greene Street, Suite 1400
Greensboro, NC 27401

No Review

Facility: CarePartners Rehabilitation Hospital
Project Description: Move 10 inpatient rehabilitation beds to an adjoining building
County: Buncombe
FID #: 923508

Dear Ms. Harris:

The Certificate of Need Section (CON Section) received your letter of February 14, 2014 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

Moreover, you need to contact the Construction Section and the Acute and Home Care Licensure and Certification Section of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.



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

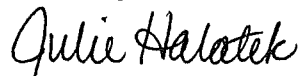
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Terrill Johnson Harris
March 11, 2014
Page 2

Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,



Julie Halatek
Project Analyst



Martha J. Frisone, Interim Chief
Certificate of Need Section

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



SMITH MOORE
LEATHERWOOD

Julie

February 14, 2014



Martha Frisone, Interim Chief
Certificate of Need Section
Division of Health Service Regulation
N.C. Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: CarePartners Rehabilitation Hospital

Dear Martha:

Our firm represents CarePartners Rehabilitation Hospital (“CarePartners”) in Asheville. It is currently licensed for 80 inpatient rehabilitation (“rehab”) beds, and the beds are currently housed in one building. CarePartners has been in communication with the Construction Section regarding its plan to increase the number of private rooms while maintaining all 80 existing, licensed inpatient rehab beds. To accomplish this goal, CarePartners plans to utilize space in an adjacent building on its hospital campus for 10 of the rehab beds. The space in the adjacent building was previously used for 10 rehab beds and will be used again for 10 rehab beds in private rooms.

While the space has not been used for patient beds for several years, the building occupancy and condition remain appropriate for this use. A minimal amount of work will be needed to get the space ready for use again, and CarePartners’ architect is working with Tammy Sylvester, Marjorie Acker, and Steve Lewis at the Construction Section to obtain the necessary reviews and approvals for the space.

This project does not involve a change in bed capacity under the CON Act, N.C. Gen. Stat. § 31E-176(5). The total number of beds will remain at 80, including the 10 beds being returned to service in the adjacent building. The 10 beds that will be operated in the adjacent building are not being relocated from one licensed facility or campus to another. The building in which these 10 beds will be operated is part of CarePartners’ existing, licensed hospital campus. Finally, the expenditure is well under \$2 million.

For these reasons, this project does not involve any new institutional health services. Nonetheless, we want to inform you of this project as a courtesy. Please confirm that this project is not subject to CON review. Please let me know if you have any questions.

Martha Frisone
February 14, 2014
Page 2

With kindest regards, I am

Very truly yours,

SMITH MOORE LEATHERWOOD LLP

A handwritten signature in cursive script, appearing to read "Terrill Harris".

Terrill Johnson Harris

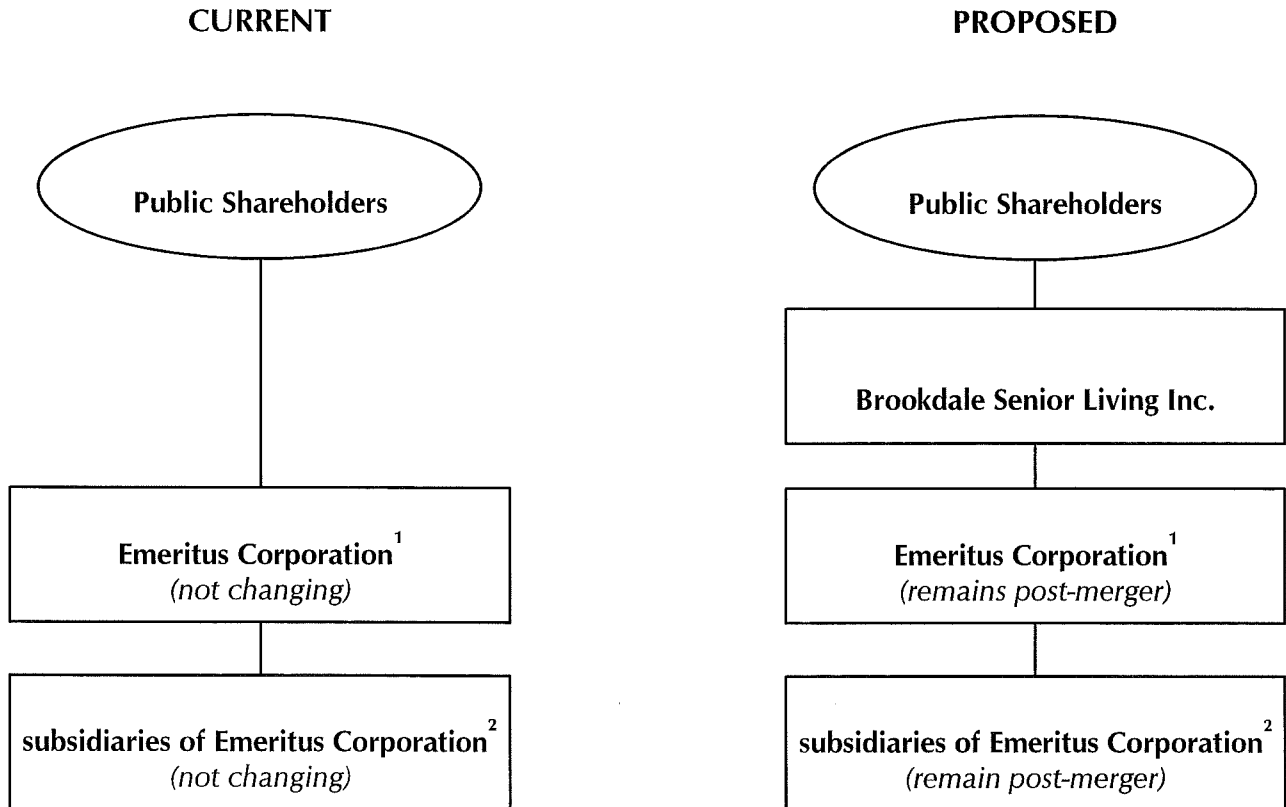
TJH/mp

cc: Gary Bowers, CarePartners
Steve Lewis, Construction Section
Marjorie Acker, Construction Section
Tammy Sylvester, Construction Section

ATTACHMENT A

Overview of Merger of
Emeritus Corporation and Brookdale Senior Living Inc.

NORTH CAROLINA



**This diagram presents the structure/merger in generalized terms.
Please let us know if you would like additional information regarding the structure of the merger.**

¹ Please see Attachment 1 for a list of operators/licensees/providers.

² Please see Attachment 2 for a list of operators/licensees/providers that are direct and indirect subsidiaries of Emeritus Corporation.

ATTACHMENT 1
NORTH CAROLINA

FACILITY NAME	LICENSEE / OPERATOR	LICENSE TYPE
Emeritus at Churchill <i>Dredell III</i>	Emeritus Corporation	Adult Care Home <i>001199</i>
Emeritus at Eastover <i>Cumberland ✓</i>	Emeritus Corporation	Adult Care Home <i>970113</i>
Emeritus at Greensboro <i>Dulford II</i>	Emeritus Corporation	Adult Care Home <i>970071</i>
Emeritus at Heritage Lodge <i>Handerson I</i>	Emeritus Corporation	Adult Care Home <i>944350</i>
Emeritus at Pine Park <i>Handerson I</i>	Emeritus Corporation	Home Care Agency <i>970216</i>
Emeritus at the Pines of Goldsboro <i>anyue VI</i>	Emeritus Corporation	Adult Care Home <i>970014</i>

ATTACHMENT 2
NORTH CAROLINA

FACILITY NAME	LICENSEE / OPERATOR	LICENSE TYPE
Emeritus at South Park <i>///</i>	BREA Charlotte, LLC	Adult Care Home <i>970632</i>