



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

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

July 12, 2016

Misa B. Raynor  
Attorney at Law  
PO Box 9  
Belhaven, NC 27810

**Exempt from Review – Legacy Medical Care Facility**

**Record #:** 1984  
**Facility Name:** Vidant Pungo Hospital  
**FID #:** 923419  
**Business Name:** Strategic Healthcare of Florida, LLC  
**Business #:** 2426  
**Project Description:** Notice of intent to acquire and reopen the hospital within 36 months of June 14, 2016  
**County:** Beaufort

Dear Ms. Raynor:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of June 14, 2016, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(h). Therefore, Strategic Healthcare of Florida, LLC would not need to first obtain a certificate of need before acquiring the hospital and reopening it within 36 months of June 14, 2016.

Another legal entity has also submitted notice of an intent to acquire and reopen the hospital. The Agency's determination is limited to the question of whether or not Strategic Healthcare of Florida, LLC would have to obtain a certificate of need if the current owners of the hospital sell the hospital to Strategic Healthcare of Florida, LLC and Strategic Healthcare of Florida, LLC reopens it within 36 months of June 14, 2016.

In the event that Strategic Healthcare of Florida, LLC does acquire the hospital, you should contact the Agency's Construction and Acute and Home Care Licensure and Certification Sections regarding their requirements for reopening the hospital.



**Healthcare Planning and Certificate of Need Section**

[www.ncdhhs.gov](http://www.ncdhhs.gov)

Telephone: 919-855-3873 • Fax: 919-715-4413

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

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

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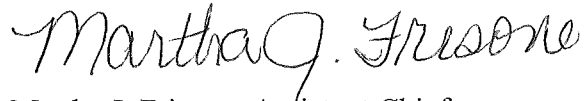


Ms. Raynor  
July 12, 2016  
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This determination is binding only for the facts represented by you. If changes are made in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Agency.

Please contact me at (919) 855-3879 should you have any questions concerning this matter.

Sincerely,

A handwritten signature in cursive script that reads "Martha J. Frisone".

Martha J. Frisone, Assistant Chief  
Certificate of Need

cc: Construction Section, DHSR (via email)  
Acute and Home Care Licensure and Certification Section, DHSR (via email)  
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR (via email)  
Adam O'Neal, Chairman, Pungo Medical Center (via email)

Law Office of  
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June 14, 2016

State of North Carolina, DHHS  
Attn: Ms. Martha Frisone, Asst. Section Chief  
Certificate of Need Section  
2704 Mail Service Center  
Raleigh NC 27699-2704

SENT VIA EMAIL:

[Martha.Frisone@dhhs.nc.gov](mailto:Martha.Frisone@dhhs.nc.gov)

RE: Former Pungo District Hospital  
Belhaven, Beaufort County, NC

Record # 1984  
FID# 923419

Dear Ms. Frisone:

Thank you for your call on June 8, 2016, to discuss with me the Certificate of Need for the former Pungo District Hospital here in Belhaven. From our phone conversation I understand this facility has been declared a "legacy medical care facility"; it has been closed for over six (6) months but not longer than twenty-four (24) months. Also, I understand you require a Notice of Intent from the potential buyer to keep the Certificate of Need open after June 30, 2016.

As mentioned to you in our conversation, I represent a potential buyer for this property who desires to open it as a hospital. That entity is Strategic Healthcare of Florida, LLC, a State of Florida Limited Liability Company.

Please accept this letter as "NOTICE OF INTENT" from Strategic Healthcare of Florida, LLC that it intends to acquire the former Pungo District Hospital property from the current owner (Pantego Creek LLC) and open this facility as a hospital, within thirty-six (36) months from the date of this Notice.

Strategic Healthcare of Florida, LLC understands that it will be limited to the number of beds and operating rooms previously approved for the former Pungo District Hospital. You were not certain of this exact number when I spoke to you last Wednesday, but thought it may be thirty-nine (39) beds. Please clarify for me the number of beds and operating rooms which can be utilized in the re-opened facility. I would also appreciate any other information about limits on the Certificate of Need for this facility.

BUS. ID#  
2426

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Ms. Martha Frisone  
June 14, 2016

Thank you for acceptance of this Notice, and for any information you may provide to help me in understanding the Certificate of Need for the former Pungo District Hospital facility in Belhaven, North Carolina. I shall look forward to hearing from you.

Sincerely,

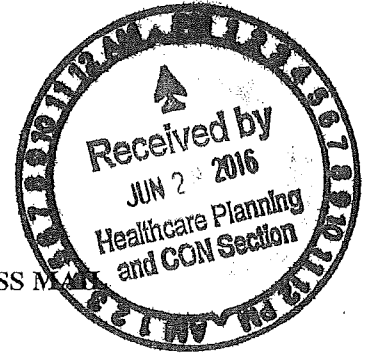
/s/ Misa B. Raynor

cc: Strategic Healthcare of Florida, LLC

June 28, 2016

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

VIA EMAIL AND FIRST CLASS MAIL



RE: CON Exemption for Pungo District Hospital  
Our File No. 61532.05

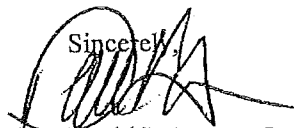
Dear Ms. Frisone:

I am writing on behalf of Pantego Creek, LLC ("Pantego"), a North Carolina Limited Liability Company that owns the hospital facility formerly operated as Pungo District Hospital located in Belhaven, North Carolina ("Hospital"). The purpose of this letter is to give notice of Pantego's intent to sell the Hospital to an independent third party. In order to further facilitate the efforts of an independent third party to re-open the Hospital, Pantego submits this notice to begin the process of designating the Hospital as a "Legacy Medical Care Facility" and to receive an exemption from Certificate of Need ("CON") review based on this status. To that end, I am writing to give notice on behalf of Pantego that:

1. Pungo District Hospital is not presently operating;
2. Pungo District Hospital has not continuously operated for at least the past six months; and,
3. Within the last twenty-four months the Hospital was operated by a person holding a license under N.C. Gen. Stat. §131E-77, and issued by the North Carolina Division of Health Service Regulation, and was engaged primarily in providing inpatients, by or under supervision of physicians, diagnostic services and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons.

Further, the independent third party has stated its intention to reopen the Hospital and to make the Hospital operational within thirty-six months.

If you have any questions or concerns, please do not hesitate to contact me directly. I appreciate your attention to this matter.

Sincerely,  
  
David B. Baxter, Jr.

DBBjr/tlz