



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

March 11, 2016

J. Melvin Deaton
HP6 Clayton Health Investors, LLC
P.O. Box 2568
Hickory, NC 28603-2568

Exempt from Review – Acquisition of Facility

Record #: 1890
Facility Name: Clayton House
Type of Facility: Adult Care Home
FID #: 920228
Acquisition by: HP6 Clayton Investors, LLC
Business #: 2216
County: Clayton

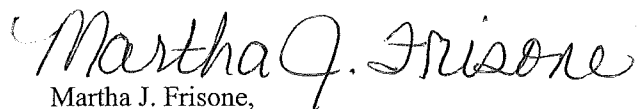
Dear Mr. Deaton:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of March 7, 2016, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, HP6 Clayton Health Investors, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Agency's Adult Care Licensure Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to 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,
Assistant Chief, Certificate of Need

cc: Adult Care Licensure Section, DHSR
Kelli Fisk, Program Assistant, Healthcare Planning, DHSR



Healthcare Planning and Certificate of Need Section

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

An Equal Opportunity/ Affirmative Action Employer



Review # 1890
Bus # 2216

HP6 Clayton Health Investors, LLC

Post Office Box 2568
Hickory, North Carolina 28603-2568

March 7, 2016



Ms. Martha Frisone, Assistant Chief
Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
North Carolina Department of Health & Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Notice of Exempt Acquisition of Clayton House (FID: 920228) pursuant to Section 131E-184(a)(8) of the North Carolina General Statutes

Dear Ms. Frisone:

I previously notified the CON Section of the transaction described in the attached letter dated June 12, 2015 (Attachment A), and received approval of the transaction in your letter dated July 7, 2015 (Attachment B); however, the transaction did not close in 2015 as originally planned. The parties anticipate that the transaction will close during the first week in April 2016. The transaction remains exempt from CON review.

I would appreciate a response confirming that the transaction is still exempt from CON review.

Respectfully,

J. Melvin Deaton

Attachments

HP6 Clayton Health Investors, LLC

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

June 12, 2015

Ms. Martha Frisone, Assistant Chief
Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
North Carolina Department of Health & Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Notice of Exempt Acquisition of Clayton House (FID: 920228) pursuant to Section 131E-184(a)(8) of the North Carolina General Statutes

Dear Ms. Frisone:

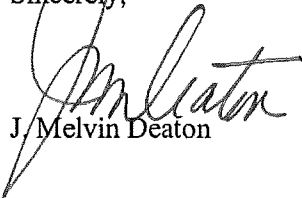
I am writing on behalf of HP6 Clayton Health Investors, LLC (the "Buyer"), to provide notice to the N.C. Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the "Agency") of a transaction involving Clayton House (License Number HAL-051-041), a licensed adult care home located at 145 Dairy Road, Clayton, Johnston County), North Carolina (the "Facility").

The Facility is currently owned by IP Clayton Properties, LLC. The Facility is leased to and operated by Clayton Health Holdings, LLC (the "Current Licensee"). Pursuant to the transaction, the Facility will be acquired by Buyer. Following the conclusion of the transaction, the Facility will continue to be operated as an adult care home, and the Facility will continue to be operated by the Current Licensee pursuant to its lease agreement with the Buyer.

The acquisition of the Facility will not involve the development of any new health service facility or otherwise qualify as a "new institutional health service" which would be subject to review under applicable Certificate of Need statutes or regulations. Pursuant to this letter, the Buyer hereby requests that the Agency confirm that the acquisition of the Facility is exempt from Certificate of Need review and approval pursuant to Section 131E-184(a)(8) of the North Carolina General Statutes.

If you require additional information, please contact me at (828) 261-7312. Thank you for your consideration of this request.

Sincerely,



J. Melvin Deaton



ATTACHMENT B

JUL 14 2015

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

July 7, 2015

J. Melvin Deaton
HP6 Clayton Health Investors, LLC
P.O. Box 2568
Hickory NC 28603-2568

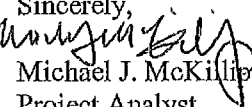
Exempt from Review – Acquisition of Facility

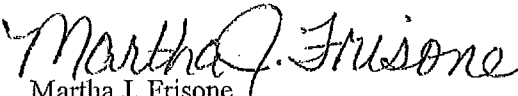
Record #: 1629
Facility Name: Clayton House
Type of Facility: Adult Care Home
FID #: 920228
Acquisition by: HP6 Clayton Health Investors, LLC
Business #: 2216
County: Johnston

Dear Mr. Deaton:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of June 12, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(a)(8). Therefore, HP6 Clayton Health Investors may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Agency's Adult Care Licensure Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to 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,

Michael J. McKillop
Project Analyst


Martha J. Frisone,
Assistant Chief, Certificate of Need

cc: Adult Care Licensure Section, DHSR
Assistant Chief, Healthcare Planning

Healthcare Planning and Certificate of Need Section

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

An Equal Opportunity/ Affirmative Action Employer

