



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

March 31, 2017

J. Melvin Deaton

Exempt from Review – Acquisition of Facility

Record #: 2218
Facility Name: Davie Place Residential Care
Type of Facility: ACH
FID #: 920863
Acquisition by: Mocksville Propco II, LLC
Business #: 2603
County: Davie

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 28, 2017, with accompanying letter of January 30, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Mocksville Propco II, 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 N.C. Gen. Stat. §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,

Handwritten signature of Celia C. Inman in blue ink.

Celia C. Inman
Project Analyst

Handwritten signature of Martha J. Frisone in blue ink.

Martha J. Frisone
Assistant Chief, Certificate of Need

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

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

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



MF Rec'd by
Email 3/28/17

Mocksville Propco II, LLC

Post Office Box 2568
Hickory, North Carolina 28603-2568

March 28, 2017

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

Via email: martha.frisone@dhhs.nc.gov

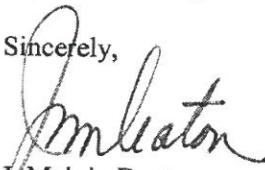
Re: Exemption Notice for Mocksville Senior Living and Memory Care (fka Davie Place Residential Care) (Adult Care Home in Davie County)
FID#: 920863; Facility License No.: HAL-030-003

Dear Ms. Frisone:

Please find attached a copy of an Exemption Request for the above referenced facility dated January 30, 2017. Since the date of the Request, the name of the Buyer has changed to **Mocksville Propco II, LLC**. All of the other information in the letter remains the same. Just wanted you to be aware of the name change. The anticipated closing date is Friday, March 31, 2017.

If you should require further information, please do not hesitate to contact me at (828) 261-7312.

Sincerely,


J. Melvin Deaton
Executive Assistant

Enclosure



Mocksville Propco, LLC

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

January 30, 2017

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

**Re: Exemption Notice for Mocksville Senior Living and Memory Care (fka Davie Place Residential Care) (Adult Care Home in Davie County)
FID#: 920863; Facility License No.: HAL-030-003**

Dear Ms. Frisone:

Mocksville Propco, LLC ("Mocksville Propco") is planning to acquire an adult care home in Davie County, currently known as Davie Place Residential Care (hereafter "the Facility"). The Facility is located at 337 Hospital Street in Mocksville, North Carolina. The Facility is listed in the "Inventory of Adult Care Home Beds" in the 2017 State Medical Facilities Plan as having 69 adult care home beds.

Mocksville Propco is seeking to purchase the Facility through a purchase and sale agreement. The purpose of this letter is to provide prior notice of this acquisition, which is exempt from Certificate of Need ("CON") review, to the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (the "Agency"). Mocksville Propco seeks confirmation that it is permitted to acquire the Facility as described herein without CON Review, thus acquiring the Facility's existing CON rights to own that existing health service facility (as defined in the CON statute) with 69 adult care beds.

I. THE PROPOSAL

As of this date, Double T Enterprises, LLC owns the property and building comprising the Facility, which is an existing "health service facility," as that term is defined in N.C. Gen. Stat. § 131E-176(9)(b), and Davie Partners, Inc. is the Licensee. Mocksville Propco will purchase the Facility, and the Licensee will be Mocksville Opco, LLC. The Facility will be known as Mocksville Senior Living and Memory Care.

II. EXEMPTION NOTICE

Under North Carolina law, a Certificate of Need ("CON") is required only prior to offering or developing a "new institutional health service." "New institutional health service" includes a variety of services and activities, including a capital expenditure exceeding \$2 million. N.C. Gen. Stat. § 131E-176(16)(b).

The North Carolina General Assembly saw fit to exempt certain types of services or proposals from CON review, pursuant to N.C. Gen. Stat. § 131E-184. One such exempt service or proposal includes 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).

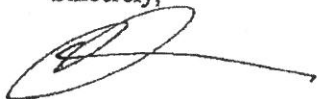
This project involves only the acquisition of an existing adult care home, which falls within the purview of the statutory definition of "health service facility." After acquisition, the Licensee, Mocksville Opco, LLC, will operate the Facility as an adult care home. Furthermore, Mocksville Propco's acquisition of the Facility does not entail the purchase of any major medical equipment or any *per se* reviewable equipment as defined in N.C. Gen. Stat. §§ 131E-176(14)(o) and (16)(f1). Likewise, the acquisition does not include the offering of any *per se* reviewable services. N.C. Gen. Stat. § 131E-176(16)(f). Thus, given that the transaction involves only the acquisition of an existing health services facility, it is exempt from CON review.

III. CONCLUSION

Based on the foregoing information, we hereby request the Agency's confirmation that the proposal described above is exempt from CON review, pursuant to N.C. Gen. Stat. § 131E-184(a)(8), and thus Mocksville Propco may acquire the Facility with all its existing CON rights without a CON.

In addition, we respectfully request that this request be considered on an **expedited basis** because the parties wish to proceed with this transaction as soon as possible. If you require additional information to consider this request, please contact us at (828) 261-7318 as soon as possible. We thank you for your consideration of this request.

Sincerely,



Hunter B. Trefzger
VP Development and Acquisitions