



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

September 22, 2017

Maureen Demarest Murray  
300 N. Greene Street, Suite 1400  
Greensboro, NC 27401

**Exempt from Review – Acquisition of Facility**

**Record #:** 2392  
**Facility Name:** Murphy Medical Center Nursing Home  
**Type of Facility:** Nursing Home  
**FID #:** 170117  
**Acquisition by:** Murphy Rehabilitation, Inc. & Murphy Healthcare Properties, LLC  
**Business #:** 2711 & 2712  
**County:** Cherokee

Dear Ms. Murray:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of September 18, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Murphy Rehabilitation, Inc. and Murphy Healthcare Properties, 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 Nursing Home Licensure and Certification 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.

**HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION**

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

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If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,



Julie Halatek  
Project Analyst



Martha J. Frisone  
Chief, Healthcare Planning and  
Certificate of Need Section

cc: Nursing Home Licensure and Certification Section, DHR  
Sharetta Blackwell, Program Assistant Healthcare Planning, DHR



300 N. Greene Street  
Suite 1400  
Greensboro, NC 27401

September 18, 2017

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

*Via E-mail and U.S. Mail*

Re: Notice of Exemption-Acquisition and Lease of Existing Nursing Facility known as Murphy Medical Center Nursing Home

Dear Ms. Frisone:

We represent Murphy Rehabilitation, Inc. (“Murphy Rehabilitation”) and Murphy Healthcare Properties, LLC (“Murphy Healthcare Properties”). This letter provides prior written notice pursuant to N.C.G.S. § 131E-184(a)(8) of an expected exempt acquisition by Murphy Rehabilitation and Murphy Healthcare Properties of an existing skilled nursing facility, which is known as Murphy Medical Center Nursing Home and currently operated under nursing facility license number NH0652 by Murphy Medical Center, Inc. (“Murphy Medical Center”). The existing separate nursing facility is located on the campus of Murphy Medical Center and has an address of 3992 E. US Hwy. 64 Alternate, in Murphy, Cherokee County, North Carolina (“Facility”). This letter also provides prior written notice pursuant to N.C.G.S. § 131E-184(a) of an expected exempt lease of space from Murphy Medical Center and operation of the Facility by Murphy Rehabilitation.

Murphy Rehabilitation and Murphy Healthcare Properties request written acknowledgement from the Healthcare Planning and Certificate of Need Section (“CON Section” or “Agency”) that their acquisition of the existing Facility is exempt pursuant to N.C.G.S. § 131E-184(a)(8). Murphy Rehabilitation also requests a written no review determination from the Agency that its lease of the Facility does not require a certificate of need (“CON”).

The acquisition of the existing Murphy Medical Center Nursing Home by Murphy Rehabilitation and Murphy Healthcare Properties is exempt from certificate of need review under N.C. Gen. Stat. § 131E-184(8) because it constitutes the acquisition of an existing health service facility. A nursing home facility is considered a health service facility under N.C. Gen. Stat. § 131E-176(9b). Murphy Medical Center has chosen not to continue ownership or operation of the Facility and there is still a need in the community for the Facility and the services it offers.

Direct: 336.378.5258 | Fax: 336.433.7468 | maureen.murray@smithmoorelaw.com | www.smithmoorelaw.com

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Murphy Rehabilitation's lease of the Facility also does not require a CON and is exempt from CON review under N.C. Gen. Stat. § 131E-176(16)(a), § 131E-178(b) and § 131E-181. Because Murphy Rehabilitation is not establishing or developing a new nursing home facility but leasing an existing facility where the ownership is expected to change due to an exempt acquisition, a CON is not required. The Facility has long been complete and operational as a nursing home facility.

We would appreciate your prompt acknowledgment that the anticipated acquisition of the existing nursing home facility by Murphy Rehabilitation and Murphy Healthcare Properties and the lease of the Facility by Murphy Rehabilitation are exempt and not subject to review under the Certificate of Need Act. The transaction is expected to be effective October 1, 2017 and we would appreciate receiving a response before September 29, 2017. Please let us know if you have any questions.

With kind regards,

Sincerely,

SMITH MOORE LEATHERWOOD LLP

A handwritten signature in black ink, appearing to read "Maureen Demarest Murray". The signature is written in a cursive, flowing style.

Maureen Demarest Murray