



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

April 19, 2018

J. Melvin Deaton  
Post Office Box 2568  
Hickory, North Carolina 28603-2568

**Exempt from Review – Acquisition of Facility**

**Record #:** 2383  
**Facility Name:** The Gardens of Nashville  
**Type of Facility:** Adult Care Home  
**FID #:** 923369  
**Acquisition by:** Nashville Propco, LLC  
**Business #:** 2815  
**County:** Nash

Dear Mr. Deaton:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of April 4, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Nashville Propco, 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,

Jane Rhoe-Jones  
Project Analyst

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

cc: Adult Care Licensure Section, DHR  
Amy Craddock, Assistant Chief, Healthcare Planning, DHR

**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

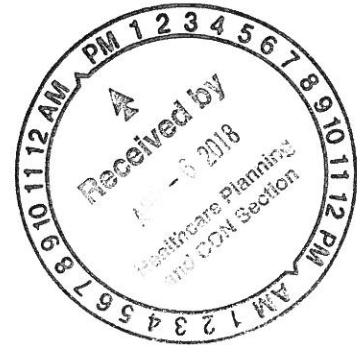
# *Nashville Propco, LLC*

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

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April 4, 2018

Ms. Martha Frisone, 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 The Gardens of Nashville fka Universal Health Care/Nashville (Adult Care Home in Nash County)  
FID#: 923369; Facility License No.: HAL-064-028**

Dear Ms. Frisone:

Nashville Propco, LLC (“Nashville Propco”) is planning to acquire an adult care home in Nash County, currently known as Universal Health Care/Nashville (hereafter “the Facility”). The Facility is located at 1022 Eastern Avenue in Nashville, North Carolina. The Facility is listed in the “Inventory of Adult Care Home Beds” in the 2018 State Medical Facilities Plan as having 122 adult care home beds.

Nashville 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”). Nashville 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 122 adult care beds.

## **I. THE PROPOSAL**

As of this date, Universal Properties/Nashville, 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 Universal Health Care / Nashville, Inc. is the Licensee. Nashville Propco will purchase the Facility, and the Licensee will be Nashville Opco, LLC. The Facility will be known as The Gardens of Nashville.

## **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, Nashville Opco, LLC, will operate the Facility as an adult care home. Furthermore, Nashville 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 Nashville 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) 322-5535 as soon as possible. We thank you for your consideration of this request.

Sincerely,



J. Melvin Deaton  
Executive Assistant

# State of North Carolina

Department of Health and Human Services  
Division of Health Service Regulation

*Effective January 1, 2017, this license is issued to*

*Universal Health Care / Nashville, Inc.*

*to operate an Adult Care Home known as*

*Universal Health Care/Nashville*

*located at 1022 Eastern Avenue  
Nashville, NC, Nash County.*

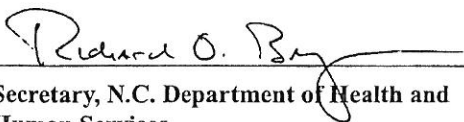
*This license is issued subject to the statutes of the State of North  
Carolina, is not transferable and shall expire  
December 31, 2017.*

*License Number: HAL-064-028*

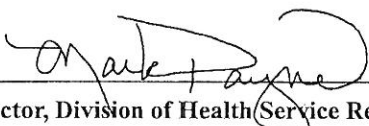
*Capacity: 122*

*Special Care Units: X Yes    No      Type: Alzheimer's/Dementia 30*

Authorized by:

  
Secretary, N.C. Department of Health and  
Human Services



  
Director, Division of Health Service Regulation