



NC DEPARTMENT OF
**HEALTH AND
 HUMAN SERVICES**
 Division of Health Service Regulation

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director

VIA EMAIL ONLY

June 25, 2018

Elliot Lee
 elee@nbclaw.com

Exempt from Review – Acquisition of Facility

Record #: 2622
Facility Name: Woodland Hill Center
Type of Facility: NH
FID #: 923365
Acquisition by: Woodland Hill Propco, LLC
Business #: 2857
County: Randolph

Dear Mr. Lee:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of June 18, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Woodland Hill 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 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. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Celia C. Inman
 Project Analyst

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

cc: Nursing Home Licensure and Certification Section, DHSR
 Amy Craddock, Assistant Chief, Healthcare Planning, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
 MAILING ADDRESS: 2704 Mail Service Center, Raleigh, NC 27699-2704
 www.ncdhs.gov/dhsr/ • TEL: 919-855-3873

Woodland Hill Propco LLC
c/o GMF Capital
650 Madison Avenue
New York, New York 10022



VIA EMAIL (Martha.Frisone@dhhs.nc.gov)

June 18, 2018

Martha Frisone
Chief, Healthcare Planning and Certificate of Need
Division of Health Service Regulation
Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Exemption Notice for Woodland Hill Center; Facility Provider#: 345277;
Facility License No.: NH0448

Dear Ms. Frisone:

Woodland Hill Propco LLC ("Woodland Propco") is planning to acquire a skilled nursing facility in Randolph County, currently known as Woodland Hill Center (hereafter the "Facility"). The Facility is located at 400 Vision Drive in Asheboro, North Carolina. The Facility is listed in the "Inventory of Nursing Home and Hospital Nursing Care Beds" in the 2018 State Medical Facilities Plan as having 100 skilled nursing beds.

Woodland 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"). Woodland 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 100 skilled nursing beds.

I. THE PROPOSAL

As of this date, Sabra North Carolina, L.P. 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. § 131 E-176(9)(b), and Sunbridge Regency-North Carolina, LLC ("Sunbridge") is the Licensee. Woodland Propco will purchase the Facility, and Sunbridge will continue to be the Licensee. The Facility will continue to be known as Woodland Hill Center.

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. § 131 E-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. § 131 E-184(a)(8).

Ms. Martha Frisone
Certificate of Need Section
June 18, 2018
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This project involves only the acquisition of an existing skilled nursing facility, which falls within the purview of the statutory definition of "health service facility." After acquisition, the Licensee, Sunbridge Regency-North Carolina, LLC, will continue to operate the Facility as a skilled nursing facility. Furthermore, 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.

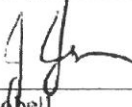
III. CONCLUSION

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 Woodland 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 close this transaction on June 29, 2018. If you require additional information to consider this request, please contact the undersigned's attorney for this transaction (Elliot Lee; Tel: (212) 682-4002; Email: elec@nbclaw.com) as soon as possible. We thank you for your consideration of this request.

Sincerely,

WOODLAND HILL PROPCO LLC

By: 
Name: Jay L. O'Neil
Title: Authorized Signatory