



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

February 18, 2021

Michael Browder
Mike.browder@veritascollaborative.com

No Review
Record #: 3487
Date of Request: February 12, 2021
Facility Name: Veritas Collaborative
FID #: 110280
Business Name: Veritas Collaborative, LLC
Business #: 1957
Project Description: Change in indirect ownership interest
County: Durham

Dear Mr. Browder:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence regarding the project described above. Based on the CON law in effect on the date of this response to your request, the project as described is not governed by, and therefore, does not currently require a certificate of need. If the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office.

Please do not hesitate to contact this office if you have any questions.

Sincerely,
Kim Meymandi

Kim Meymandi
Project Analyst

Lisa Pittman
Assistant Chief, Certificate of Need

cc: Acute and Home Care Licensure and Certification Section, 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: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873



A NATIONAL HEALTHCARE SYSTEM FOR
THE TREATMENT OF EATING DISORDERS

February 11, 2021



VIA FEDEX

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

Re: Notice of Indirect Ownership Change and Request for No Review Determination for the following Certificate of Needs of Veritas Collaborative, LLC: J-10307-14, J-10240-14, J-8659-11 and J-11128-16.

Dear Ms. Frisone,

We are writing to make the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Health Care Planning and Certificate of Need Section (the “CON Section”) aware of an upcoming transaction. Although this transaction will not result in any change to the direct ownership of Veritas Collaborative, LLC, a Delaware limited liability company qualified to do business in North Carolina (the “Licensee”), this letter is sent in the interest of transparency because it will result in a change in indirect (i.e., upstream) ownership of the Licensee. The Licensee has previously received several certificates of need, as indicated in the chart below

Name of Facility	Project ID	FID	Physical Location	County
Veritas Collaborative, LLC	J-10240-14	110280	615 Douglas Street, Suite 500 Durham, NC 27705	Durham
Veritas Collaborative	J-10307-14	140239	2812 Erwin Road Durham, NC 27705	Durham
Veritas Collaborative, LLC	J-8659-11	110280	615 Douglas Street, Suite 500 Durham, NC 27705	Durham
Veritas Collaborative, LLC	J-11128-16	110280	Relocate existing child/adolescent psychiatric hospital to another location within Durham County	Durham

The Licensee is directly owned by Veritas Management Services, LLC (the “Licensee’s Parent”). The Licensee’s Parent intends to undergo a corporate reorganization (the “Transaction”), pursuant to which, following the Transaction, Veritas Collaborative Holdings, LLC will indirectly own approximately 46%, and TEP Management Holdings, LLC will indirectly own approximately 54%, of the equity interests of the Licensee’s Parent. The Transaction is expected to close in late first quarter 2021. Please find updated organizational charts in Attachment A.



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Based on our understanding of the applicable laws and regulations, *we believe this Transaction does not constitute a change in ownership or necessitate a new certificate of need* because the Licensee, nor its direct parent, are changing in any way. In addition, the Transaction will not result in any changes to the day-to-day operations or services of the Licensee. The Licensee will continue to operate under the same name and federal tax identification numbers.

In the event that the CON Section does not agree with the analysis set forth in this “No Review” request, we understand that, pursuant to N.C. Gen. Stat. § 131E-184, the Transaction would still be exempt from CON review. Accordingly, we respectfully request that the CON Section confirm the Transaction is not subject to CON review by issuing a written determination to this effect or, in the alternative, that the described transaction is exempt from CON review.

Should you have any questions with respect to this letter or the Transaction, please contact Mike Browder at mike.browder@veritascollaborative.com.

Best,

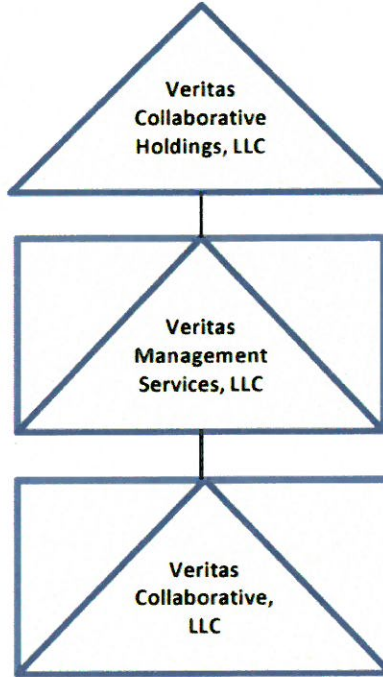
A handwritten signature in blue ink, appearing to read "M.W. Browder", is written over a horizontal line.

Michael W. Browder

President & CEO

Attachment A: Organizational Charts

Current Organizational Chart:



Updated Organizational Chart:

