



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

June 9, 2023

Chris Thompson
Chris.Thompson@hklaw.com

No Review

Record #: 4225
Date of Request: June 5, 2023
Facility Name: Erlanger Murphy Medical Center
FID #: 943366
Business Name: Erlanger Health
Business #: 3721
Project Description: Change in indirect ownership
County: Cherokee

Dear Chris Thompson:

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,

Ena Lightbourne
Project Analyst

Micheala Mitchell
Chief

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

Holland & Knight

1901 Sixth Avenue North, Suite 1400 | Birmingham, AL 35203 | T 205.226.5700 | F 205.214.8787
Holland & Knight LLP | www.hklaw.com

Chris Thompson
+1 205-226-5739
Chris.Thompson@hklaw.com

May 31, 2023

VIA FEDEX

Certificate of Need – NC Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Transaction Affecting an Indirect Owner of North Carolina Health Facility

Dear Sir/Madam:

Please accept this letter as notice to the North Carolina Department of Health and Human Services of a transaction affecting an indirect owner of a North Carolina health facility, Erlanger Murphy Medical Center a/k/a Erlanger Western Carolina Hospital (Facility ID: 943366, License No. Ho239) (the “Hospital”).

The Hospital is owned by Murphy Medical, Inc., a North Carolina non-profit corporation (“Murphy”), with Murphy’s sole member being the Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Health System (the “Authority”). In connection with a restructuring of Erlanger Health System, the Authority will be replaced as the sole member of Murphy by Erlanger Health, a Tennessee non-profit corporation (the “Transaction”). The Transaction is scheduled for July 1, 2023 (the “Effective Date”). The current owner of the Hospital will remain and be unchanged; however, following the Effective Date there will be a new upstream owner, Erlanger Health, as described above.

Enclosed please find pre-transaction and post-transaction ownership charts detailing the structure outlined above.

As a result of the above-described Transaction, there will be no changes to the legal or d/b/a names, tax identification numbers, locations, operations, services, or personnel of the Hospital. It is our understanding from conversations with your Department that this transaction would be non-reviewable. However, in case that part or all of this transaction is reviewable and needs exemption from review, this letter is to serve as prior written notice under North Carolina General Statute 131E-184.

Feel free to contact me via email or phone if you have any additional questions. We look forward to your response.

Sincerely,

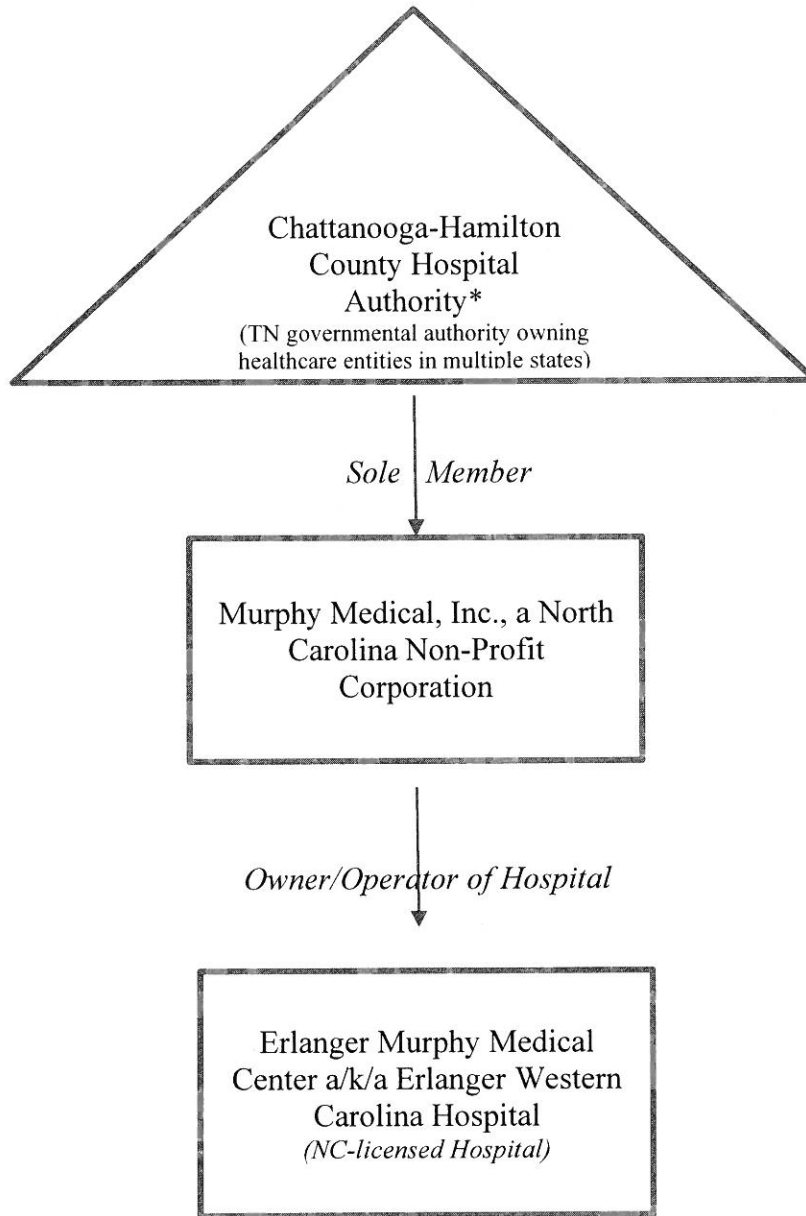


Chris Thompson

CRT:

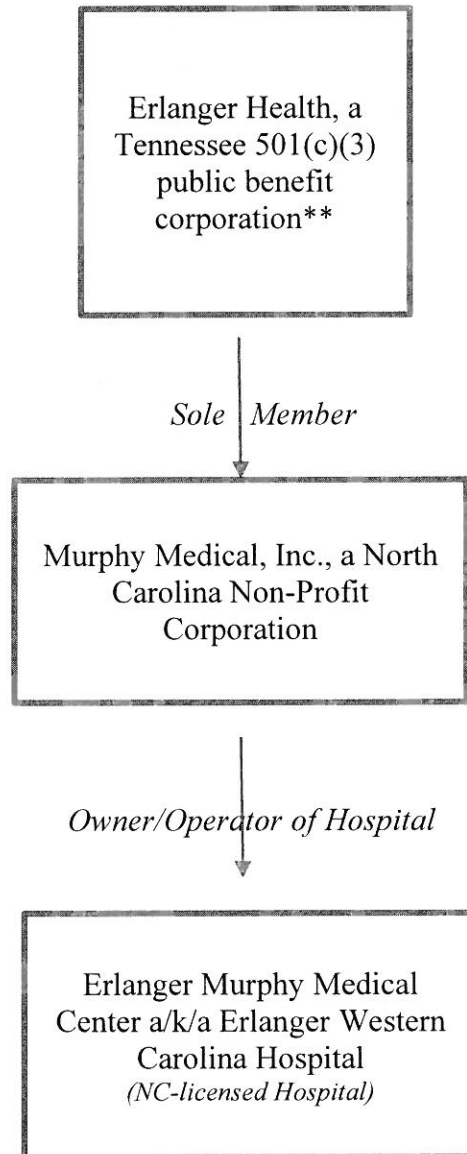
Enclosure

Pre-Transaction Structure



*For the purposes of this structural diagram of the transaction, the operations in other states will be disregarded.

Post-Transaction Structure



**This non-profit was formed for the sole purpose of acquiring the assets and liabilities taking over the Authority's health system; it has no members, and is managed and controlled by a Board of Directors, pursuant to an amendment to the Tennessee Private Act originally establishing Erlanger Health System. It has made certain covenants regarding continuing the operations, liabilities, and charitable mission of the Authority, with an independent oversight monitor appointed.