



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

January 10, 2025

Denise Gunter
denise.gunter@nelsonmullins.com

Exempt from Review – Acquisition of Facility

Record #: 4685
Date of Request: January 2, 2025
Facility Name: Spring Arbor of Raleigh
Type of Facility: Adult Care Home
FID #: 990961
Acquisition by: PruittHealth, Inc.
Business #: 1908
County: Wake

Dear Denise Gunther:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that the project described above is exempt from certificate of need (CON) review in accordance with G.S. 131E-184(a)(8). Therefore, the above referenced business may proceed to acquire the health service facility identified above without first obtaining a CON. The Agency's determination is limited to the question of whether the above referenced business would have to obtain a CON if the current owners of the health service facility do in fact sell it to the business listed above. Note that pursuant to G.S. 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.*"

If the business listed above does acquire the facility, you should contact the Agency's Adult Care Licensure Section to obtain instructions for changing ownership of the existing facility.

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 regarding whether a certificate of need would be required. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Crystal Kearney
Project Analyst

Micheala Mitchell
Chief

cc: Adult Care Licensure 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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

January 2, 2025

Via E-mail

Micheala Mitchell
Chief, Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Notice of Exemption to Acquire Adult Care Home
Spring Arbor of Raleigh
FID # 990961
HAL-092-224
Wake County/Health Service Area IV

Dear Ms. Mitchell:

On behalf of PruittHealth, Inc. ("PruittHealth"), I am writing to provide the Agency with prior written notice of PruittHealth's intention to acquire 80 adult care home ("ACH") beds from Spring Arbor of Raleigh ("Spring Arbor Raleigh"), located at 1810 New Hope Road, Raleigh, NC 27604. Spring Arbor Raleigh was licensed as an ACH with 80 ACH beds until December 31, 2024; its license has since expired. See **Exhibit A**, attached hereto, for a copy of Spring Arbor's 2024 license. There are no patients at Spring Arbor Raleigh.

N.C. Gen. Stat. § 131E-184(a)(8) provides that, upon prior written notice, the Agency shall exempt from CON review the acquisition of:

. . . an existing health service facility, including equipment owned by the health service facility at the time of the acquisition. **A facility not currently licensed as an adult care home that was licensed as an adult care home within the preceding 12 months is considered an existing health service facility for the purposes of this subdivision.**

N.C. Gen. Stat. § 131E-184(a)(8)(emphasis added).

Micheala Mitchell
January 3, 2025
Page 2

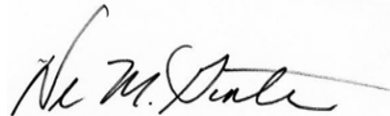
As shown in **Exhibit A**, Spring Arbor Raleigh was licensed as an ACH within the preceding 12 months. PruittHealth intends to file a CON application in 2025 to relocate the Spring Arbor Raleigh beds to a different location in Wake County in order to serve patients requiring assisted living services. Granting this exemption will therefore allow the beds to remain available for the benefit of patients in Wake County and surrounding areas.

As the parties intend to close their transaction shortly, PruittHealth respectfully requests that the Agency provide its written confirmation by January 13, 2025 that this transaction is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(8).

Please let me know if you need any additional information. Thank you for your time and consideration.

With best personal regards.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise M. Gunter", is written over a light gray rectangular background.

Denise M. Gunter

Enclosure

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 1, 2024, this license is issued to

Spring Arbor Raleigh NC Tenant, LLC

to operate an Adult Care Home known as

Spring Arbor of Raleigh

*located at 1810 New Hope Road
Raleigh, NC 27604
County: Wake*

*This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire
midnight December 31, 2024*

Facility ID: 990961

License Number: HAL-092-224

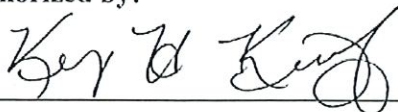
*****This home serves only elderly persons*****

Capacity: 80

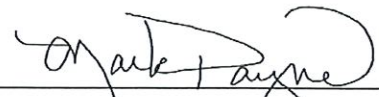
Special Care Units: Yes

Type: Alzheimer's/Dementia: 24

Authorized by:



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



Director, Division of Health Service Regulation

From: [Denise Gunter](#)
To: [Waller, Martha K](#); [Stancil, Tiffany C](#); [Kearney, Crystal](#); [Mckillip, Mike](#)
Subject: [External] Notice of Exempt Acquisition/Wake County/HSA IV
Date: Thursday, January 2, 2025 4:40:42 PM
Attachments: [Jan 2 2025 Spring Arbor Exemption Letter.pdf](#)
[Exhibit A to Spring Arbor Letter.pdf](#)

CAUTION: External email. Do not click links or open attachments unless verified. Report suspicious emails with the Report Message button located on your Outlook menu bar on the Home tab.

Good afternoon,

Attached for processing is an exemption filed on behalf of PruittHealth. Could you please confirm that you have received this?

Thanks.



DENISE M. GUNTER **PARTNER**
denise.gunter@nelsonmullins.com

She/Her/Hers

THE KNOLLWOOD | SUITE 530

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