



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN • Governor
DEV DUTTA SANGVAI • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

January 22, 2025

Amy E. Erwin
aerwin@smithlaw.com

Exempt from Review – Acquisition of Facility

Record #: 4694
Date of Request: December 23, 2024
Facility Name: Southern Living for Seniors of Louisburg
Type of Facility: Adult Care Home
FID #: 920147
Acquisition by: Centra Louisburg Holdco, LLC
Business #: 3910
County: Franklin

Dear Ms. Erwin:

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,

[Handwritten signature of Cynthia Bradford]

Cynthia Bradford
Project Analyst

[Handwritten signature of Micheala Mitchell]

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

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December 23, 2024

Micheala Mitchell, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

**Re: *Exemption from Review / Non-Withdrawal of Certificate of Need
Southern Living for Seniors of Louisburg (Franklin County)***

Dear Ms. Mitchell:

I trust this correspondence finds you well.

I am writing on behalf of Centra Louisburg, LLC, a North Carolina limited liability company (“Current Owner”) and Centra Louisburg Holdco, LLC, a North Carolina limited liability company (“New Owner”). Current Owner owns that certain 60-bed adult care home formerly known as *Southern Living for Seniors of Louisburg* located at 361 Leonard Road, Louisburg, Franklin County, North Carolina 27549 (the “Facility”). The Facility is currently closed and unlicensed. The Facility was formerly licensed to Southern Living for Seniors of Louisburg NC, LLC (the “Former Operator”) under License Number HAL-035-031, which license expired on December 31, 2023. Current Owner and New Owner have no relation to the Former Operator.

Current Owner proposes to transfer the Facility, including any equipment owned by the Facility, to New Owner (the “Transaction”). New Owner plans to submit an Initial License Application to obtain a new license for the Facility in its name from the North Carolina Division of Health Service Regulation, Adult Care Home Licensure Section.

As an adult care home, the Facility is subject to North Carolina Certificate of Need (“CON”) law. The Facility is listed in the “Inventory of Adult Care Home Beds” in Table 11A of the 2024 and proposed 2025 North Carolina State Medical Facilities Plan.

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

Micheala Mitchell, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health and Human Services
December 23, 2024
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owned by the health service facility at the time of acquisition.” N.C. Gen. Stat. § 131E-184(a)(8). N.C. Gen. Stat. § 131E-184(a)(8) provides that “[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 purposes of this subdivision.”

The Transaction involves the acquisition of the Facility, and any equipment owned by the Facility, by New Owner. The Facility is an “existing health service facility” since the Facility was licensed within the preceding 12 months. New Owner expects to be able to operate the Facility as an adult care home after the Transaction closes. New Owner’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(14o) and (16)p. Likewise, the acquisition does not include the development of a new institutional health service N.C. Gen. Stat. § 131E-176(16). Therefore, given that the Transaction involves only the acquisition of an existing health service facility, and the equipment owned by an existing health service facility at the time of acquisition, we believe the Transaction is exempt from CON review.

Based on the foregoing, and in accordance with the provisions of N.C. Gen. Stat. § 131E-184(a)(8) and N.C. Gen. Stat. § 131E-189(c), please allow this letter to serve as prior written notice to the Agency of the intent by New Owner to acquire the Facility from Current Owner as outlined herein, and a formal request that the Agency conclude that the proposed transaction is exempt from CON review.

Should you need additional information in order to make a decision on this matter, please do not hesitate to contact me directly.

Very truly yours,

A handwritten signature in blue ink, appearing to read "J. C. Wrenn, Jr.", is centered below the text "Very truly yours,".

James C. Wrenn, Jr.

cc: Derek Hunter, Special Deputy Attorney General (dhunter@ncdoj.gov)

From: [Mitchell, Micheala L](#)
To: [Stancil, Tiffany C](#)
Subject: FW: [External] CON Exemption from Review Letter - Louisburg(12874295.3)
Date: Friday, December 27, 2024 4:28:30 PM
Attachments: [CON Exemption from Review Letter - Louisburg\(12874295.3\).pdf](#)

Hey there!

Would you mind logging and assigning to Cindy?

Thanks,

Micheala Mitchell, JD
[NC Department of Health and Human Services](#)
[Division of Health Service Regulation](#)
Section Chief, Healthcare Planning and CON Section
809 Ruggles Drive, Edgerton Building
2704 Mail Service Center
Raleigh, NC 27699-2704
Office: 919 855 3879
Micheala.Mitchell@dhhs.nc.gov

From: Amy Erwin <aerwin@smithlaw.com>
Sent: Monday, December 23, 2024 9:05 AM
To: Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
Cc: Hunter, Derek L <dhunter@ncdoj.gov>
Subject: [External] CON Exemption from Review Letter - Louisburg(12874295.3)

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Hi Micheala-

Please find attached a no review letter for Centra Louisburg for your review. Please let me know if you have any questions or concerns.

I hope that you have a wonderful Christmas!

THANKS!

AMY E. ERWIN, NCCP | SENIOR PARALEGAL

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Smith Anderson



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