



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEVPUTTA SANGVAI • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

July 30, 2025

Eliezer Klein
eklein@rcghg.com

Exempt from Review – Acquisition of Facility

Record #: 4849
Date of Request: July 17, 2025
Facility Name: The Heritage of Sugar Mountain
Type of Facility: Adult Care Home
FID #: 921117
Acquisition by: Residence Care Group, LLC
Business #: 3387
County: Avery

Dear Eliezer Klein:

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,

Ena Lightbourne
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

June 6, 2025

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

Dear Ms. Mitchell:

Kings Landing, LLC, a South Carolina limited liability company (“Current Owner”), owns that certain 40-bed adult care home commonly known as *The Heritage of Sugar Mountain* located at 264 Sugar Mountain #2 Road, Newland, Avery County, North Carolina 28657 (the “Facility”). The Facility is operated by and licensed to The Heritage of Sugar Mountain, LLC, a North Carolina limited liability company (“Current Operator”), under license number HAL 006-005 (the “License”). The License expires on December 31, 2025.

Current Owner will enter into a sale transaction (the “Transaction”) whereby it will sell the Facility and all related Facility equipment and personal property to Residence Care Group, LLC, a New Jersey limited liability company (“New Owner”). Current Operator will remain as the duly licensed operator of the Facility after the Transaction closes. The Transaction is expected to close by June 16, 2025.

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 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 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. Current Operator will continue operating 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

Micheala Mitchell, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health and Human Services
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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,

From: [Eliezer Klein](#)
To: [Stancil, Tiffany C](#)
Cc: [Lightbourne, Ena](#); [Francisco Morales](#); [James Wrenn](#)
Subject: [External] Sugar Mountain - CON submission
Date: Thursday, July 17, 2025 12:48:52 PM
Attachments: [CON Exemption from Review Letter Template.docx](#)

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Good afternoon,

Please take note of the attached.

Thank you