



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

Alex Atchison

aatchison@sanstonehealth.com

Exempt from Review – Acquisition of Facility

Record #: 4850
Date of Request: July 7, 2025
Facility Name: Margate Health and Rehabilitation Center
Type of Facility: Adult Care Home
FID #: 923151
Acquisition by: Ashe County Healthcare Properties, LLC
Business #: 3974
County: Ashe

Dear Mr. Atchison:

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,

Ema 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

July 7, 2025

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

Re: Notice Pursuant to N.C.G.S. §131E-184(a)(8) of Exempt Acquisition of
Existing Health Service Facility

Dear Ms. Mitchell:

Ashe County Healthcare Properties, LLC, a North Carolina Limited Liability Company (the "Purchaser"), plans to acquire a 210 bed adult care facility located at 540 Waugh Street, Jefferson, Ashe County, North Carolina, currently known as Margate Health & Rehabilitation (the "Facility") on August 1, 2025. We write to provide notice of the planned acquisition of the real estate, which is exempt from certificate of need ("CON") review, to the North Carolina Department of Health and Human Services, Division of Health Regulation, Certificate of Need section (the "Agency").

Hendersonville Healthcare Facility Limited Partnership (the "Seller") currently owns the real estate where the Facility is located, which is an existing "health service facility," as that term is defined in N.C.G.S. §131E-176(9b). The Seller intends to transfer 100% of its ownership interest in the facility to the Purchaser. As such, N.C.G.S. §131E-184(a)(8) exempts the transaction from CON review. In addition, the Purchaser's acquisition of the facility does not entail the purchase of any major medical equipment or any *per se* reviewable equipment, or the offering of any *per se* reviewable services. N.C.G.S. §131E-176(14)(o), (16)(f), & (16)(f1).



Therefore, we hereby request that the Agency confirm that the above-described proposal is exempt from CON review pursuant to N.C.G.S. §131E-184(a)(8). If you require additional information to consider this request, please contact me at 919.880.5009 as soon as possible. We thank you for your consideration of this request.

With best regards, we remain

Sincerely yours,

SanStone Management Company, LLC
d/b/a SanStone Health and Rehabilitation

By:

A handwritten signature in blue ink, appearing to read "A. Atchison", is written over the printed name.

Alexander R. Atchison, JD
Chief Strategy Officer

From: [Mitchell, Micheala L](#)
To: [Stancil, Tiffany C](#)
Cc: [Lightbourne, Ena](#)
Subject: FW: [External] Exempt Acquisition Confirmation Request
Date: Friday, July 18, 2025 12:35:03 PM
Attachments: [image001.png](#)
[20250707152957314.pdf](#)
[20250707153134364.pdf](#)

Tiffany, I don't know how this slipped past me, but will you add these requests to the correspondence log and assign to Ena?

Ena, Mr. Atchison called me and has some additional information to add to the Ashe County request. He will send that on Monday. Also- make a note on the routing sheets that the delay was due to me when you send them to Gloria.

Apologies and thanks,

Micheala

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: Alex Atchison <aatchison@sanstonehealth.com>
Sent: Monday, July 7, 2025 3:21 PM
To: Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
Subject: [External] Exempt Acquisition Confirmation Request

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Ms. Mitchell,

We are in the process of acquiring two skilled nursing facilities. We currently operate both under leases. The first facility, Margate Health and Rehabilitation, is located in Jefferson, Ashe County. The Second facility, College Pines Health and Rehabilitation, is located in Connelly Springs, Burke County. Attached are our requests for confirmation

that the transactions are except from CON review.

Please review and let me know if you need anything else from us.

Thanks,

Alex

ALEX ATCHISON | Chief Strategy Officer

M: (919) 880-5009 | E: aatchison@sanstonehealth.com



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