



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

June 9, 2025

Tommy Williams
Tommy.williams@unchealth.unc.edu

No Review

Record #: 4800
Date of Request: May 30, 2025
Facility Name: UNC Health Johnston
FID #: 943290
Business Name: UNC Health Care System
Business #: 2991
Project Description: Acquisition of ownership interests by UNC Health
County: Johnston

Dear Mr. Williams:

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 representation in your request and 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. **As a reminder, it is unlawful to offer or develop a new institutional health service without first obtaining a certificate of need. The Department reserves the right to impose sanctions, including civil penalties and the revocation of a license, upon any entity that offers or develops a new institutional health service without first obtaining a certificate of need.**

Please do not hesitate to contact this office if you have any questions.

Sincerely,

Cynthia Bradford, 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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

May 30, 2025

Ms. Micheala Mitchell, Chief
Ms. Cynthia Bradford, Project Analyst
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation, NC DHHS
2704 Mail Service Center
Raleigh, NC 27699-2704
Micheala.Mitchell@dhhs.nc.gov
Cynthia.Bradford@dhhs.nc.gov

RE: Request for No Review Determination

Facility Name: Johnston Health Services Corporation
Facility ID: H0151
License Number: 943290

Dear Ms. Mitchell and Ms. Bradford:

On behalf of Johnston Health Services Corporation please accept this letter as notification of a transaction between Johnston Health Services Corporation and UNC Health. The purpose of this letter is to provide notice and seek a determination by the Healthcare Planning and Certificate of Need Section (Agency) that UNC Health's acquisition of the ownership interest of Johnston Health Services Corporation is not reviewable as a new institutional health service under NC General Statute § 131E-176(16) and a Certificate of Need (CON) is not required.

Currently, UNC Health owns 49 percent of Johnston Health Services Corporation. Following the transaction, UNC Health will become the sole member of Johnston Health Services Corporation. The transaction is anticipated to close on July 1, 2025 and will not involve any changes to the day-to-day operations of the facility nor changes to the hospital's 501(c)(3) nonprofit status.

Notably, The Agency has repeatedly recognized that the acquisition of membership interests is not regulated by the CON Law. For example, as shown in Attachment 1 the Agency recently concluded that Wake Forest Baptist University Medical Center's acquisition of 100% membership interests in Hugh Chatham Memorial Hospital, Inc. did not require a CON. The same is true here as UNC Health, the 49% owner of Johnston Health Services Corporation, will become the 100% owner of Johnston Health Services Corporation.

We assert that this corporate restructuring falls outside the scope of "new institutional health services" as defined under N.C. Gen. Stat. § 131E-176(16) and therefore does not require Certificate of Need (CON) review and approval. Should the Agency determine that this corporate change might be considered a reviewable acquisition of an existing health service facility, we hereby submit this formal request for an

exemption notice under N.C. Gen. Stat. § 131E-184(a)(8).

This statute mandates that when the Department of Health and Human Services receives advance written notification from an entity planning to "acquire an existing health service facility, including equipment owned by the health service facility at the time of the acquisition," the Department must grant an exemption from CON review requirements.

Based on these provisions, we respectfully request that the Agency provide written confirmation that the Hospital may proceed with the Transaction without obtaining a CON. Should you require additional information, please do not hesitate to contact us. Thank you in advance for your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tommy G. Williams', with a long horizontal line extending to the right. Above the signature, there are two small handwritten marks: a checkmark-like symbol and the number '2'.

Tommy G. Williams
President and Chief Executive Officer
Johnston Health Services Corporation

Attachment 1-No Review Determination 4774



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEVPUTTA SANGVAI • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

May 6, 2025

Robert L. Wilson, Jr.
bob.wilson@nelsonmullins.com

No Review

Record #: 4774
Date of Request: May 1, 2025
Facility Name: Hugh Chatham Memorial Hospital, Inc.
FID #: 923276
Business Name: Hugh Chatham Memorial Hospital, Inc.
Business #: 1012
Project Description: Change of ownership
County: Surry

Dear Mr. Wilson:

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 representation in your request and 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. **As a reminder, it is unlawful to offer or develop a new institutional health service without first obtaining a certificate of need. The Department reserves the right to impose sanctions, including civil penalties and the revocation of a license, upon any entity that offers or develops a new institutional health service without first obtaining a certificate of need.**

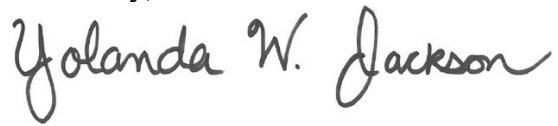
Please do not hesitate to contact this office if you have any questions.

**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

Sincerely,

A handwritten signature in black ink that reads "Yolanda W. Jackson". The script is fluid and cursive, with the first letters of each word being capitalized and prominent.

Yolanda W. Jackson
Project Analyst

A handwritten signature in black ink that reads "Micheala Mitchell". The script is cursive, with the first letters of each word being capitalized and prominent.

Micheala Mitchell
Chief

cc: Acute and Home Care Licensure and Certification Section, DHSR



Robert L. Wilson, Jr.
Attorney
T: (919) 329-3870
bob.wilson@nelsonmullins.com

NELSON MULLINS RILEY & SCARBOROUGH LLP
ATTORNEYS AND COUNSELORS AT LAW
301 Hillsborough Street
Suite 1400
Raleigh, NC 27603
T: (919) 329-3800 F: (919) 329-3799
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May 1, 2025

VIA E-MAIL AND U.S. MAIL

Ms. Micheala Mitchell
Chief, Healthcare Planning and Certificate of Need Section
North Carolina Division of Health Service Regulation
North Carolina Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704
micheala.mitchell@dhhs.nc.gov

**RE: Hugh Chatham Memorial Hospital, Inc., d/b/a Hugh Chatham Health
Request for No Review Determination
Facility ID: 923276
License Number: H0049**

Dear Ms. Mitchell:

I am writing on behalf of Hugh Chatham Memorial Hospital, Inc., d/b/a Hugh Chatham Health (the "Hospital") regarding an upcoming change of ownership (the "Transaction") involving the Hospital and Wake Forest University Baptist Medical Center ("WFBMC"), an affiliate of Atrium Health, Inc. ("Atrium"). The purpose of this letter is to seek a determination by the Healthcare Planning and Certificate of Need Section (the "Agency") that a Certificate of Need ("CON") is not required as part of the Transaction.

Following the Transaction, WFBMC will become the sole member of the Hospital, which previously had no members. The Transaction is anticipated to close on June 1, 2025. Importantly, the Hospital's day-to-day operations, as well as the Hospital's 501(c)(3) nonprofit status, will not change as a result of the Transaction. The leadership of the Hospital, WFBMC, and Atrium have carefully considered this strategic partnership and have determined that it is in the best interests of the Hospital and the communities it serves.

We believe that this corporate change does not constitute one of the enumerated "new institutional health services" defined in N.C. Gen. Stat. § 131E-176(16) that requires CON review and approval. To the extent that the Agency may have any concerns that

May 1, 2025

Page 2

this corporate change may constitute an otherwise reviewable acquisition of an existing health service facility, then this letter constitutes a request for a notice of exemption pursuant to N.C. Gen. Stat. § 131E-184(a)(8). N.C. Gen. Stat. § 131E-184(a)(8) provides that if the Department of Health and Human Services (the "Department") receives prior written notice from an entity that it will "acquire an existing health service facility, including equipment owned by the health service facility at the time of the acquisition," the Department "shall exempt" such project from CON review. Accordingly, we respectfully request the Agency to issue a written determination that the Hospital may pursue the Transaction without first obtaining a CON.

Please contact us if you need any further information regarding this request. We appreciate your prompt attention to this matter.

Best regards,

A handwritten signature in blue ink, appearing to read "Robert L. Wilson, Jr.", is positioned above the printed name.

Robert L. Wilson, Jr.

From: [Mitchell, Micheala L](#)
To: [Stancil, Tiffany C](#)
Subject: Fw: [External] Correspondence from Attorney Wilson – Mailed May 1, 2025
Date: Friday, May 2, 2025 10:17:25 AM
Attachments: [HCH - Certificate of Need No Review Letter 4910-4370-9756 v.3.pdf](#)

This is the attachment. My bad!

Hope you're feeling better!

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](tel:9198553879)
Micheala.Mitchell@dhhs.nc.gov

From: Jamila Howard <jamila.howard@nelsonmullins.com>
Sent: Thursday, May 1, 2025 4:40 PM
To: Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
Cc: Bob Wilson <bob.wilson@nelsonmullins.com>; Cara Ludwig <cara.ludwig@nelsonmullins.com>;
Adrienne Cleven <adrienne.cleven@nelsonmullins.com>
Subject: [External] Correspondence from Attorney Wilson – Mailed May 1, 2025

You don't often get email from jamila.howard@nelsonmullins.com. [Learn why this is important](#)

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Good afternoon, Ms. Mitchell,

On behalf of Attorney Wilson, please see the attached correspondence, which was mailed to you today, May 1, 2025.

If you have any questions, please contact Attorney Wilson.

Best regards,

Jamila Howard



JAMILA HOWARD ADMINISTRATIVE ASSISTANT

jamila.howard@nelsonmullins.com

301 HILLSBOROUGH STREET | SUITE 1400

RALEIGH, NC 27603

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From: [Mitchell, Micheala L](#)
To: [Waller, Martha K](#)
Subject: FW: [External] UNC Health Johnston No Review
Date: Friday, May 30, 2025 3:12:28 PM
Attachments: [image001.png](#)
[UNC Health Johnston No Review FINAL.pdf](#)

Martha would you mind logging this and placing it in Cindy's folder?

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: Kim Meymandi <KimMeymandi@ascendient.com>
Sent: Friday, May 30, 2025 3:09 PM
To: Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>; Bradford, Cynthia L <cynthia.bradford@dhhs.nc.gov>
Cc: Waller, Martha K <martha.waller@dhhs.nc.gov>
Subject: [External] UNC Health Johnston No Review

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Good afternoon and Happy Friday!

Please find attached a letter of No Review submitted on behalf of our client Johnston Health Service Corporation. Should you need additional information, please do not hesitate to reach out and if you would please confirm receipt.

Thank you and have a great weekend,

Kim

Kim Meymandi | MANAGER

kimmeymandi@ascendient.com | 919.226.1712 | [linkedin](#) | www.ascendient.com



Our Higher Thinking [here](#)

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