



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704

<http://www.ncdhhs.gov/dhsr/>

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December 20, 2012

Ms. Mary Beth Johnston
K&L Gates, LLP
430 Davis Drive, Suite 400
Morrisville, North Carolina 27560

Exempt from Review – Acquisition of Facility

Facility: Union Regional Home Care (HHA)
Acquisition by: Charlotte-Mecklenburg Hospital Authority (CMHA)
County: Union
FID #: 955428

Dear Ms. Johnston:

In response to your letter of November 28, 2012, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, Charlotte-Mecklenburg Hospital Authority (CMHA) may proceed to acquire substantially all of the assets of the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Acute and Home Care Licensure and Certification Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C.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.”*

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. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Gloria C. Hale
Project Analyst

Craig R. Smith, Chief
Certificate of Need Section

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



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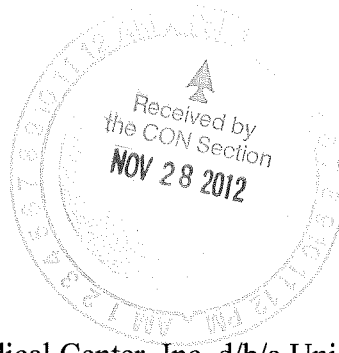
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November 28, 2012

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Via Hand Delivery

Craig R. Smith
Chief, Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health & Human
Services
809 Ruggles Drive
Raleigh, NC 27603



RE: Exemption Notice for Union Memorial Regional Medical Center, Inc. d/b/a Union Regional Home Care (License No. HC1238)

Dear Craig:

We are writing on behalf of our clients, The Charlotte-Mecklenburg Hospital Authority (“CMHA”) and Union Memorial Regional Medical Center, Inc. (“UMRMC”). UMRMC is the licensed operator of a Medicare-certified home health agency known as Union Regional Home Care (the “HHA”) (License No. HC1238). The purpose of this letter is to provide notice to the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (the “Agency”) that CMHA will be acquiring substantially all of the assets of the HHA pursuant to a corporate reorganization, which transaction is exempt from certificate of need (“CON”) review under N.C. Gen. Stat. § 131E-184(a)(8).

A. Factual Background

UMRMC is a wholly-owned controlled affiliate of CMHA. The HHA is a Medicare-certified home health agency licensed by the State and located in Monroe, Union County. UMRMC is currently the licensed operator of the HHA and holds a CON for the provision of home health services. CMHA and UMRMC seek to reorganize the HHA such that CMHA will acquire the assets of the HHA and become its licensed operator effective on or about January 1, 2013. The parties will be submitting a change of ownership application to the Division of Health Service Regulation, Acute and Home Care Licensure and Certification Section to effectuate the transfer of the license.

Craig R. Smith
November 28, 2012
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B. Exemption Notice

Under North Carolina law, a CON is required only prior to offering or developing a “new institutional health service.” “New institutional health service” includes a variety of services and activities, including the establishment of a home health agency office.¹ However, the North Carolina General Assembly has exempted certain types of services or proposals from CON review under N.C. Gen. Stat. § 131E-184, including the acquisition of an existing health service facility, including equipment owned at the time of acquisition.²

This transaction involves only the acquisition of the assets of an existing “health service facility,” including all equipment owned at the time of acquisition. After the acquisition, CMHA will continue to operate this health service facility at its current location. Furthermore, the acquisition of the HHA 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(14)(o) and (16)(f1). Likewise, the acquisition does not include the offering of any *per se* reviewable services.³ Thus, given that the transaction involves only the acquisition of an existing health service facility, it is exempt from CON review.

C. Conclusion

Based on the foregoing information, we hereby request the Agency’s confirmation that the proposal described above is exempt from CON review under N.C. Gen. Stat. § 131E-184(a)(8). In the alternative, we request that the Agency confirm that the proposed transaction is not subject to CON review. If you require additional information, please contact us at the above number as soon as possible.

Thank you for your consideration of this request.

Sincerely,



Mary Beth Johnston

¹ See N.C. Gen. Stat. § 131E-176 (9b), (12), and (16)(a).

² See N.C. Gen. Stat. § 131E-184(a)(8).

³ See N.C. Gen. Stat. § 131E-176(16)(f).