

North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

July 31, 2015

Noah H. Huffstetler, III
Nelson Mullins
GlenLake One, Second Floor
4140 Parklake Avenue
Raleigh, NC 27612

No Review

Record #: 1668
Facility Name: Veritas Collaborative, LLC
FID #: 110280
Business Name: Veritas Collaborative, LLC
Business #: 1957
Project Description: Veritas Collaborative, LLC, which owns and operates a mental health facility in Durham, will become a wholly owned subsidiary of Veritas Management Services, LLC which will in turn be a wholly owned subsidiary of Veritas Collaborative Holdings, LLC
County: Durham

Dear Mr. Huffstetler:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of July 31, 2015 regarding the above referenced proposal. Veritas Collaborative (FID# 110280) received two certificates of need (Project ID #J-8659-11 and Project ID #J-10240-14). According to our records, both projects are complete. See the enclosures.

Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that 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.



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-715-4413

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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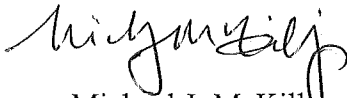


Mr. Huffstetler
July 31, 2015
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It should be noted that this determination is binding only for the facts represented in your correspondence. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



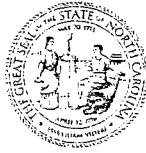
Michael J. McKillop
Project Analyst



Martha J. Frisone
Assistant Chief, Certificate of Need

Enclosures

cc: Acute and Home Care Licensure and Certification Section, DHSR
Assistant Chief, Healthcare Planning



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Drexdal Pratt
Division Director

July 31, 2015

Stacie McEntyre
615 Douglas Street, Suite 500
Durham, NC 27705

Development Complete

Project ID #: J-10240-14
Facility: Veritas Collaborative, LLC
Project Description: Develop one new child/adolescent inpatient psychiatric bed pursuant to the need determination in the 2014 SMFP
County: Durham
FID #: 110280

Dear Ms. McEntyre:

On August 26, 2014, this Agency issued a Certificate of Need pursuant to Chapter 131E, Article 9 of the North Carolina General Statutes for the above-captioned project. The Agency has hereby determined that the development of the above referenced project is now complete. It was completed on or before January 1, 2015.

Please note that this determination does not absolve the holder of the certificate from materially complying with representations in the application concerning the operation of the facility. Nor does the determination of completeness absolve the holder of the certificate from complying with any applicable conditions still remaining on the certificate.

If you have any questions concerning this certificate of need, please feel free to contact this office.

Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,

Martha J. Frisone, Assistant Chief
Certificate of Need

cc: Assistant Chief, Healthcare Planning



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

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Division of Health Service Regulation

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Division Director

August 21, 2013

Stacie McEntyre
790 SE Parkway, Suite 204
Cary, NC 27511

Development Complete

Project I.D. #: J-8659-11
Facility: Veritas Collaborative, LLC
Project Description: Construct new adolescent psychiatric facility with 5 inpatient beds and 13 residential beds for eating disorders program
County: Durham
FID #: 110280

Dear Mr. McEntyre:

On October 13, 2011, this Department issued a Certificate of Need pursuant to Chapter 131E, Article 9 of the General Statutes of North Carolina for the above-captioned project. The Certificate of Need Section has hereby determined that the development of the above referenced project is now complete. It was completed on July 11, 2012.

Please note that this determination does not absolve the holder of the certificate from materially complying with representations in the application concerning the operation of the facility. Nor does the determination of completeness absolve the holder of the certificate from complying with any applicable conditions still remaining on the certificate.

If you have any questions concerning this certificate of need, please feel free to contact me.

Please refer to the Project I.D. # and Facility I.D. # (FID) in all correspondence.

Sincerely,

Michael J. McKillip, Project Analyst
Certificate of Need Section

cc: Medical Facilities Planning Section, DHSR



Certificate of Need Section

www.ncdhhs.gov
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Nelson Mullins

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Noah H. Huffstetter III
Tel: 919.877.3801
Fax: 919.877.3821
noah.huffstetter@nelsonmullins.com

July 31, 2015

Via Electronic Mail

Ms. Martha J. Frisone
Assistant Chief
Healthcare Planning and Certificate of Need Section
Edgerton Building
809 Ruggles Drive
Raleigh, NC 27603

Re: Veritas Collaborative, LLC
License Number: MHH0972

Dear Ms. Frisone:

In connection with the transaction involving Veritas Collaborative, LLC which we have discussed, this letter is to seek confirmation on two additional points that have recently been raised. First, confirmation is requested that the project for which the certificate of need issued for the adolescent treatment facility owned and operated by Veritas Collaborative, LLC was completed when that facility received its license, a copy of which is attached. Thereafter, the only obligations imposed by the certificate of need are for the operator of the facility to materially comply with the representations made in its application and any conditions placed upon its certificate of need. *See* N.C. Gen. Stat. §§131E-176(20), 131E-181(b), 131E-189. Therefore, no action is required now to “transfer” the certificate of need for that completed project.

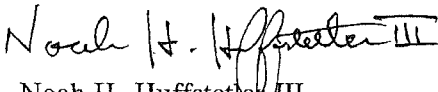
Second, please confirm that the transaction as described in my correspondence to you dated July 24, 2015, will not result in the acquisition of the existing adolescent treatment facility owned and operated by Veritas Collaborative, LLC. As described in that letter, Veritas Collaborative, LLC will remain in existence and will continue to own and operate that facility. However, Veritas Collaborative LLC, will become a wholly owned subsidiary of Veritas Management Services, LLC, which will in turn be a wholly owned subsidiary of Veritas Collaborative Holdings, LLC. If it should be determined that this transaction does involve the acquisition of a health service facility, please accept this correspondence, as well as

Ms. Martha J. Frisone
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my letter to you of July 24, 2015, as notice of an exempt acquisition under N.C. Gen. Stat. §131E-184(a)(8).

Thank you for your prompt attention to this matter. With best wishes, we are

Very truly yours,


Noah H. Huffstetler III

NHH:jbeke

Enclosures.

cc: Ms. June Ferrell (via electronic mail)

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 1, 2015 this license is issued to

Veritas Collaborative, LLC

to operate a hospital known as

Veritas Collaborative, LLC

located in Durham, North Carolina, Durham County.

*This license is issued subject to the statutes of the
State of North Carolina,
is not transferable and shall expire December 31, 2015.*

License Number: MHH0972

Bed Capacity 27

6 Inpatient Hospital Treatment; 21 Psychiatric Residential Treatment

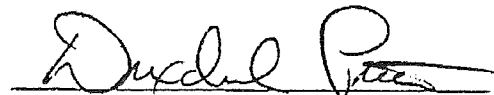
License Categories: 27G.6000, 27G.1900, 27G.1400

Authorized by:



Secretary, N.C. Department of Health and
Human Services





Director, Division of Health Service Regulation