

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

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Drexdal Pratt  
Division Director

September 30, 2015

James F. Hardman  
171-A Monroe Lane  
Lexington, SC 29072-3904

**Exempt from Review – Acquisition of Facility**

**Record #:** 1755  
**Facility Name:** Alexander County Home Health Agency  
**Type of Facility:** Home Health Agency  
**FID #:** 943593  
**Acquisition by:** Medical Services of America, Inc.  
**Business #:** 2306  
**County:** Alexander

Dear Mr. Hardman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of September 25, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(a)(8). Therefore, Medical Services of America, Inc. may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Agency's Acute and Home Care Licensure and Certification Section to obtain instructions for changing ownership of the existing facility. 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.*"

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,

Julie Halatek  
Project Analyst

Martha J. Frisone,  
Assistant Chief, Certificate of Need

cc: Construction Section, DHHS  
Acute and Home Care Licensure and Certification Section, DHHS  
Kelli Fisk, Program Assistant

**Healthcare Planning and Certificate of Need Section**

[www.ncdhhs.gov](http://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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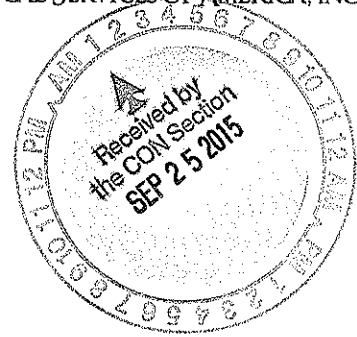
**Corporate  
Headquarters**

P.O. Box 1928 (29071-1928) • 171-A Monroe Lane (29072-3904) • Lexington, SC  
Phone (803) 957-0500 Toll-Free (800) 845-5850 Fax (888) 342-6190

\*\*\*\*\* MEDICAL SERVICES OF AMERICA, INC

September 25, 2015

Ms. Martha Frisone  
Chief, Certificate of Need Section  
Division of Health Service Regulation  
North Carolina Department of Health & Human Services  
2704 Mail Service Center  
Raleigh, North Carolina 27699-2704



Re: Alexander County Home Health Agency- Exemption Notice  
Home Health Agency: License No. HC0476

Dear Ms. Frisone:

The purpose of this letter is to provide notice to the North Carolina Department of Health and Human Services, Division of Health Service Regulation (“DHSR”), Certificate of Need Section (the “CON Section”) that Medical Services of America, Inc., a Virginia corporation (“MSA”) on behalf of itself and its wholly owned affiliate, a company incorporated in North Carolina, will be purchasing substantially all of the assets of The County of Alexander, a North Carolina political subdivision (the “County”) owned and used in connection with the operation of Alexander County Home Health Agency, a licensed and certified home health agency (License No. HC0476) (the “Home Health Agency”), which transaction is exempt from certificate of need (“CON”) review under N.C. Gen. Stat. § 131E-184(a)(8).

**I. THE PROPOSAL**

Effective on or about October 1, 2015, MSA will be acquiring substantially all of the assets of the County with respect to the Home Health Agency. The real property associated with the Home Health Agency is currently owned by the County and will be leased to MSA effective as of the closing of the transaction pursuant to a separate lease agreement. MSA also will be submitting a change of ownership application to DHSR to effectuate the transfer of the Home Health Agency license.

**II. EXEMPTION NOTICE**

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

<sup>1</sup> See N.C. Gen. Stat. § 131E-184(a)(8).

Alexander County Home Health Agency- Exemption Notice - 2

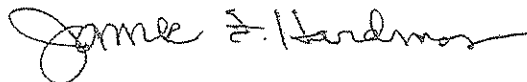
In this transaction, MSA will be acquiring an existing "health service facility," and after the transaction, MSA will continue to operate this health service facility as a home health agency at its current location. Furthermore, the proposed transaction does not entail the acquisition of any major medical equipment or any per se reviewable equipment as defined in N.C. Gen. Stat. §§ 131E-176(14)(o) and (16)(f1). Likewise, the transaction does not include the offering of any per se reviewable services except those already offered by the existing health service facility.<sup>2</sup> Thus, given that the transaction involves only the sale of an existing health service facility, it is exempt from CON review.

### III. CONCLUSION

Based on the foregoing information, we hereby request the Agency's confirmation that the transaction described in Section II above is exempt from CON review, under N.C. Gen. Stat. §131E-184(a)(8).

If you require additional information, please contact us at the above number. Thank you in advance for your review of this notice.

Sincerely,



James F. Hardman  
Executive Vice President

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<sup>2</sup> See *id* § 131E-176(16)(f).