



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Mark Payne
Health Service Regulation

August 16, 2016

J. Melvin Deaton
328 First Avenue, NW
Hickory, NC 28601-6123

Exempt from Review – Acquisition of Facility

Record #: 2017
Facility Name: Oakview Commons
Type of Facility: Adult Care Home
FID #: 921218
Acquisition by: Four Oaks Propco Holdings, LLC
County: Johnston

Dear Mr. Deaton:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of July 28, 2016, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, Four Oaks Propco Holdings, LLC 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 Adult Care Licensure 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,

Bernetta Thorne-Williams
Project Analyst

Martha J. Frisone,
Assistant Chief, Certificate of Need

cc: Adult Care Licensure Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR



Healthcare Planning and Certificate of Need Section

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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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Four Oaks Propco Holdings, LLC

Post Office Box 2568
Hickory, North Carolina 28603-2568

July 28, 2016



Ms. Martha Frisone, Assistant Chief
Certificate of Need Section
Division of Health Service Regulation
Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Johnston MF 8/16/16

Re: Exemption Notice for Oakview Commons (Adult Care Home in Wake County)
FID#: 921218; Facility License No.: HAL-051-036

Dear Ms. Frisone:

Johnston MF 8/16/16
Four Oaks Propco Holdings, LLC ("Four Oaks Propco Holdings") is planning to acquire an adult care home in Wake County, currently known as Oakview Commons (hereafter "the Facility"). The Facility is located at 565 Boyette Road in Four Oaks, North Carolina. The Facility is listed in the "Inventory of Adult Care Home Beds" in the 2016 State Medical Facilities Plan as having 96 adult care home beds.

Four Oaks Propco Holdings is seeking to purchase the Facility through a purchase and sale agreement. The purpose of this letter is to provide prior notice of this acquisition, which is exempt from Certificate of Need ("CON") review, to the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (the "Agency"). Four Oaks Propco Holdings seeks confirmation that it is permitted to acquire the Facility as described herein without CON Review, thus acquiring the Facility's existing CON rights to own that existing health service facility (as defined in the CON statute) with 96 adult care beds.

I. THE PROPOSAL

As of this date, DePaul Adult Care Communities Inc., owns the property and building comprising the Facility, which is an existing "health service facility," as that term is defined in N.C. Gen. Stat. § 131E-176(9)(b), and DePaul Adult Care Communities Inc., is the Licensee. Four Oaks Propco Holdings will purchase the Facility, and the Licensee will be Four Oaks Propco Holdings, LLC. The Facility will still be known as Oakview Commons.

II. EXEMPTION NOTICE

Under North Carolina law, a Certificate of Need ("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 a capital expenditure exceeding \$2 million. N.C. Gen. Stat. § 131E-176(16)(b).

The North Carolina General Assembly saw fit to exempt certain types of services or proposals from CON review, pursuant to N.C. Gen. Stat. § 131E-184. One such exempt service or proposal includes the

Ms. Marth Frisone, Assistant Chief
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acquisition of an existing health service facility, "including equipment owned by the health service facility at the time of acquisition." N.C. Gen. Stat. § 131E-184(a)(8).

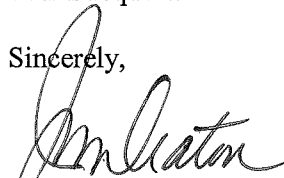
This project involves only the acquisition of an existing adult care home, which falls within the purview of the statutory definition of "health service facility." After acquisition, the Licensee, Four Oaks Opco Holdings, LLC, will operate the Facility as an adult care home. Furthermore, Four Oaks Propco Holding's acquisition of the Facility 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. N.C. Gen. Stat. § 131E-176(16)(f). Thus, given that the transaction involves only the acquisition of an existing health services facility, it is exempt from CON review.

III. CONCLUSION

Based on the foregoing information, we hereby request the Agency's confirmation that the proposal described above is exempt from CON review, pursuant to N.C. Gen. Stat. § 131E-184(a)(8), and thus Four Oaks Propco Holdings may acquire the Facility with all its existing CON rights without a CON.

In addition, we respectfully request that this request be considered on an **expedited basis** because the parties wish to proceed with this transaction as soon as possible. If you require additional information to consider this request, please contact us at (828) 261-7318 as soon as possible. We thank you for your consideration of this request.

Sincerely,



J. Melvin Deaton
Executive Assistant