



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

September 22, 2017

Maureen Demarest Murray
300 N. Greene Street, Suite 1400
Greensboro, NC 27401

No Review

Record #: 2393
Facility Name: Murphy Medical Center Nursing Home
FID #: 170117
Business Name: Murphy Rehabilitation, Inc.
Business #: 2711
Project Description: Change in licensee to Murphy Rehabilitation, Inc.
County: Cherokee

Dear Ms. Murray:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of September 18, 2017 regarding the above referenced proposal. 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.

However, you need to contact the Agency's Nursing Home Licensure and Certification Section to determine if they have any requirements for development of the proposed project.

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.

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



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,

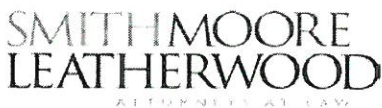


Julie Halatek
Project Analyst



Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section

cc: Nursing Home Licensure and Certification Section, DHSR
Sharetta Blackwell, Program Assistant, Healthcare Planning, DHSR



300 N. Greene Street
Suite 1400
Greensboro, NC 27401

September 18, 2017

Ms. Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health & Human Services
2704 Main Service Center
Raleigh, NC 27699-2704

Via E-mail and U.S. Mail

Re: Notice of Exemption-Acquisition and Lease of Existing Nursing Facility known as Murphy Medical Center Nursing Home

Dear Ms. Frisone:

We represent Murphy Rehabilitation, Inc. (“Murphy Rehabilitation”) and Murphy Healthcare Properties, LLC (“Murphy Healthcare Properties”). This letter provides prior written notice pursuant to N.C.G.S. § 131E-184(a)(8) of an expected exempt acquisition by Murphy Rehabilitation and Murphy Healthcare Properties of an existing skilled nursing facility, which is known as Murphy Medical Center Nursing Home and currently operated under nursing facility license number NH0652 by Murphy Medical Center, Inc. (“Murphy Medical Center”). The existing separate nursing facility is located on the campus of Murphy Medical Center and has an address of 3992 E. US Hwy. 64 Alternate, in Murphy, Cherokee County, North Carolina (“Facility”). This letter also provides prior written notice pursuant to N.C.G.S. § 131E-184(a) of an expected exempt lease of space from Murphy Medical Center and operation of the Facility by Murphy Rehabilitation.

Murphy Rehabilitation and Murphy Healthcare Properties request written acknowledgement from the Healthcare Planning and Certificate of Need Section (“CON Section” or “Agency”) that their acquisition of the existing Facility is exempt pursuant to N.C.G.S. § 131E-184(a)(8). Murphy Rehabilitation also requests a written no review determination from the Agency that its lease of the Facility does not require a certificate of need (“CON”).

The acquisition of the existing Murphy Medical Center Nursing Home by Murphy Rehabilitation and Murphy Healthcare Properties is exempt from certificate of need review under N.C. Gen. Stat. § 131E-184(8) because it constitutes the acquisition of an existing health service facility. A nursing home facility is considered a health service facility under N.C. Gen. Stat. § 131E-176(9b). Murphy Medical Center has chosen not to continue ownership or operation of the Facility and there is still a need in the community for the Facility and the services it offers.

Direct: 336.378.5258 | Fax: 336.433.7468 | maureen.murray@smithmoorelaw.com | www.smithmoorelaw.com

ATLANTA | CHARLESTON | CHARLOTTE | GREENSBORO | GREENVILLE | RALEIGH | WILMINGTON

Martha J. Frisone
September 18, 2017
Page 2

Murphy Rehabilitation's lease of the Facility also does not require a CON and is exempt from CON review under N.C. Gen. Stat. § 131E-176(16)(a), § 131E-178(b) and § 131E-181. Because Murphy Rehabilitation is not establishing or developing a new nursing home facility but leasing an existing facility where the ownership is expected to change due to an exempt acquisition, a CON is not required. The Facility has long been complete and operational as a nursing home facility.

We would appreciate your prompt acknowledgment that the anticipated acquisition of the existing nursing home facility by Murphy Rehabilitation and Murphy Healthcare Properties and the lease of the Facility by Murphy Rehabilitation are exempt and not subject to review under the Certificate of Need Act. The transaction is expected to be effective October 1, 2017 and we would appreciate receiving a response before September 29, 2017. Please let us know if you have any questions.

With kind regards,

Sincerely,

SMITH MOORE LEATHERWOOD LLP

A handwritten signature in black ink, appearing to read "Maureen Demarest Murray". The signature is written in a cursive style with a large initial "M".

Maureen Demarest Murray