



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

VIA EMAIL ONLY

February 1, 2018

Ruth Schwartz

**No Review**

**Record #:** 2489  
**Facility Name:** Multiple Kindred facilities as listed on attachment A  
**FID #:** Multiple FID #s as listed on attachment A  
**Business Name:** Multiple Business names as listed on attachment A  
**Business #:** Multiple Business #s as listed on attachment A  
**Project Description:** Change in indirect ownership of Parent Company Kindred Healthcare, Inc.  
**County:** Multiple Counties as listed on attachment A

Dear Ms. Schwartz:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of January 29, 2018 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 Acute and Home Care Licensure 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,



Celia C. Inman  
Project Analyst



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

cc: Acute and Home Care Licensure and Certification Section, DHSR  
Shareta Blackwell, Program Assistant, Healthcare Planning, DHSR

**Attachment A**

**Kindred Healthcare, Inc. Entities and Facilities (Home Care and Hospice)**

<b>Business Name Licensee</b>	<b>Facility Name</b>	<b>License #</b>	<b>County</b>	<b>FID #</b>
Capital Care Resources, LLC	Kindred at Home	HC0490	Catawba	943670
Capital Care Resources, LLC	Kindred at Home	HC1210	Forsyth	955208
Capital Care Resources, LLC	Kindred at Home	HC2111	Durham	011257
Capital Care Resources, LLC	Kindred at Home	HC0299	Wake	923741
Capital Care Resources, LLC	Kindred at Home	HC0138	Mecklenburg	923657
Capital Care Resources, LLC	Kindred at Home	HC1699	Stokes	980843
Capital Care Resources, LLC	Kindred at Home	HC0517	Stokes	954141
Capital Care Resources, LLC	Kindred at Home	HC2114	Buncombe	011260
Capital Care Resources, LLC	Kindred at Home	HC1544	Watauga	970752
Capital Care Resources, LLC	Kindred at Home	HC0391	Lincoln	953969
Eastern Carolina Home Health Agency, LLC	Kindred at Home	HC0328	Pitt	924153
Eastern Carolina Home Health Agency, LLC	Kindred at Home	HC0497	Nash	924159
Eastern Carolina Home Health Agency, LLC	Kindred at Home	HC0329	Beaufort	924157
Gentiva Certified HealthCare Corp.	Kindred at Home	HC0952	Guilford	924035
Gentiva Certified HealthCare Corp.	Kindred at Home	HC0567	Forsyth	924027
Gentiva Certified HealthCare Corp.	Kindred at Home	HC1131	Forsyth	944471
Gentiva Certified HealthCare Corp.	Kindred at Home	HC0787	Mecklenburg	924036
Gentiva Certified HealthCare Corp.	Kindred at Home	HC0270	Rowan	924044
Gentiva Certified HealthCare Corp.	Kindred at Home	HC0227	Catawba	924028
Gentiva Certified HealthCare Corp.	Kindred at Home	HC0159	Iredell	924046
Home Health Care of Carteret County, LLC	Kindred at Home	HC0073	Carteret	924156
KAH Development 10, LLC	Kindred at Home	HC1185	Robeson	925074
KAH Development 12, LLC	Kindred at Home	HC0503	Harnett	943785
KAH Development 14, LLC	Kindred at Home	HC0492	Columbus	943686
Tar Heel Health Care Services, LLC	Kindred at Home	HC1299	Wayne	945265
Tar Heel Health Care Services, LLC	Kindred at Home	HC0428	Lenoir	924155
Tar Heel Health Care Services, LLC	Kindred at Home	HC1565	Lenoir	971067
Tar Heel Health Care Services, LLC	Kindred at Home	HC0431	Jones	954154
Total Care Home Health of Louisburg, LLC	Kindred at Home	HC0215	Franklin	923800
Total Care Home Health of North Carolina, LLC	Kindred at Home	HC0231	Forsyth	924125
Total Care Home Health of North Carolina, LLC	Kindred at Home	HC0265	Rowan	924174
Total Care Home Health of North Carolina, LLC	Kindred at Home	HC0252	Wilkes	924181
Total Care Home Health of North Carolina, LLC	Kindred at Home	HC0097	Mecklenburg	924171
Total Care Home Health of North Carolina, LLC	Kindred at Home	HC2057	Union	010743
Total Care Home Health of North Carolina, LLC	Kindred at Home	HC0221	Cleveland	954180
Total Care Home Health of North Carolina, LLC	Kindred at Home	HC0268	Gaston	954176
Total Care Home Health of North Carolina, LLC	Kindred at Home	HC0272	Catawba	924182
Wake Forest Baptist Health Care at Home, LLC	Wake Forest Baptist Health Care at Home	HC0409	Forsyth	953897
Wake Forest Baptist Health Care at Home, LLC	Wake Forest Baptist Health Care at Home	HC0430	Wilkes	923849
RehabCare Group East, Inc.	RehabCare	HC4674	Buncombe	140283
Capital Care Resources, LLC	Kindred Hospice	HOS4887	Edgecombe	170133
Wake Forest Baptist Health Care at Home, LLC	Wake Forest Baptist Health Care at Home Hospice-Wilkes	HOS0407	Wilkes	953893
Wiregrass Hospice of South Carolina, LLC	Kindred Hospice	HOS4791	Granville	150330



January 29, 2018

VIA EMAIL

Ms. Martha Frisone, Chief  
Ms. Celia Inman, Project Analyst  
Healthcare Planning and Certificate of Need Section  
Division of Health Services Regulation  
North Carolina Department of Health and Human Services  
2704 Mail Service Center  
Raleigh, NC 27699-2704



Dear Ms. Frisone and Ms. Inman,

RE: Notification of Transaction and Request for "No Review" Determination

The purpose of this letter is to provide notice to the North Carolina Department of Health and Human Services Division, Division of Health Service Regulation ("DHSR"), Certificate of Need Section of the change of the indirect owner of multiple Kindred at Home entities holding certificates of need ("CONs") in North Carolina, and to request a "no review" determination.

**I. THE TRANSACTION**

Kindred Healthcare, Inc. ("Kindred"), the ultimate parent company of the Kindred at Home entities listed in Section II, has entered into an Agreement and Plan of Merger (the "Agreement") with a group of purchasers comprising of TPG Capital ("TPG"), Welsh, Carson, Anderson & Stowe ("WCAS"), Humana Inc. and certain other minority investors, pursuant to which this group of companies would purchase all of Kindred's outstanding and issued securities. The transaction is anticipated to close during the summer of 2018.

Effective as of the closing date:

- TPG, WCAS and certain other minority investors will separate Kindred at Home from the specialty hospital operating companies and form a joint venture with Humana to own Kindred at Home under a newly-formed entity ("Kentucky Homecare Parent Inc."), including home health, hospice and community care businesses; and
- TPG, WCAS and certain other minority investors will own 100% of Kindred's specialty hospital companies, including long term acute care hospital, inpatient rehabilitation facility, and contract rehabilitation service businesses, under a newly-formed entity ("Kentucky Hospital Holdings, LLC").

## II. FACILITIES INVOLVED IN TRANSACTION

Kindred is the ultimate parent company of the following entities holding CONs and licenses in your state. Following the transaction, all of the North Carolina licensed entities will continue to conduct business under their respective CONs, state licenses, and Medicare/Medicaid numbers. The transaction simply entails a change at the ultimate parent company level resulting in two entities, Kentucky Homecare Parent Inc. and Kentucky Hospital Holdings, LLC. As such, with the exception of RehabCare Group East, Inc., the entities listed in this Section will become wholly owned subsidiaries of Kentucky Homecare Parent Inc. RehabCare Group East, Inc. will become a wholly owned subsidiary of Kentucky Hospital Holdings, LLC.<sup>1/</sup> This change will not result in a change in the licensed entities' day-to-day operations, tax identification numbers, service areas, or the services provided. Please refer to Attachment A for the pre- and post-closing organization charts.

<u>Facility Legal Name</u>	<u>Facility D/B/A Name</u>	<u>License#</u>	<u>County</u>
<b><u>Home Health Entities</u></b>			
Capital Care Resources, LLC	Kindred at Home	HC0490	Catawba
Capital Care Resources, LLC	Kindred at Home	HC1210	Forsyth
Capital Care Resources, LLC	Kindred at Home	HC2111	Durham
Capital Care Resources, LLC	Kindred at Home	HC0299	Wake
Capital Care Resources, LLC	Kindred at Home	HC0138	Mecklenburg
Capital Care Resources, LLC	Kindred at Home (plus 1 licensed branch)	Parent-HC1699 Branch-HC0517	Parent: Stokes Branch: Stokes
Capital Care Resources, LLC	Kindred at Home	HC2114	Buncombe
Capital Care Resources, LLC	Kindred at Home	HC1544	Watauga
Capital Care Resources, LLC	Kindred at Home	HC0391	Lincoln
Eastern Carolina Home Health Agency, LLC	Kindred at Home	HC0328	Pitt
Eastern Carolina Home Health Agency, LLC	Kindred at Home	HC0497	Nash
Eastern Carolina Home Health Agency, LLC	Kindred at Home	HC0329	Beaufort
Gentiva Certified HealthCare Corp.	Kindred at Home	HC0952	Guilford
Gentiva Certified HealthCare Corp.	Kindred at Home	HC0567	Forsyth
Gentiva Certified HealthCare Corp.	Kindred at Home	HC1131	Forsyth
Gentiva Certified HealthCare Corp.	Kindred at Home	HC0787	Mecklenburg
Gentiva Certified HealthCare Corp.	Kindred at Home	HC0270	Rowan
Gentiva Certified HealthCare Corp.	Kindred at Home (plus 1 licensed branch)	Parent-HC0227 Branch-HC0159	Parent: Catawba Branch: Iredell

<sup>1/</sup> As part of this transaction, RehabCare Group East, Inc. will undergo a state law conversion and convert from a business corporation to a limited liability company.

<u>Facility Legal Name</u>	<u>Facility D/B/A Name</u>	<u>License#</u>	<u>County</u>
<b><u>Home Health Entities</u></b>			
Home Health Care of Carteret County, LLC	Kindred at Home	HC0073	Carteret
KAH Development 10, LLC	Kindred at Home	HC1185	Robeson
KAH Development 12, LLC	Kindred at Home	HC0503	Harnett
KAH Development 14, LLC	Kindred at Home	HC0492	Columbus
Tar Heel Health Care Services, LLC	Kindred at Home	HC1299	Wayne
Tar Heel Health Care Services, LLC	Kindred at Home	HC0428	Lenoir
Tar Heel Health Care Services, LLC	Kindred at Home	HC1565	Lenoir
Tar Heel Health Care Services, LLC	Kindred at Home	HC0431	Jones
Total Care Home Health of Louisburg, LLC	Kindred at Home	HC0215	Franklin
Total Care Home Health of North Carolina, LLC	Kindred at Home (plus 2 licensed branches)	Parent-HC0231 Branch-HC0265 Branch-HC0252	Parent: Forsyth HC0265 Branch: Rowan HC0252 Branch: Wilkes
Total Care Home Health of North Carolina, LLC	Kindred at Home (plus 1 licensed branch)	Parent-HC0097 Branch-HC2057	Parent: Mecklenburg Branch: Union
Total Care Home Health of North Carolina, LLC	Kindred at Home (plus 2 licensed branches)	Parent-HC0221 Branch-HC0268 Branch-HC0272	Parent: Cleveland HC0268 Branch: Gaston HC0272 Branch: Catawba
Wake Forest Baptist Health Care at Home, LLC	Wake Forest Baptist Health Care at Home	HC0409	Forsyth
Wake Forest Baptist Health Care at Home, LLC	Wake Forest Baptist Health Care at Home	HC0430	Wilkes
RehabCare Group East, Inc.	RehabCare	HC4674	Buncombe
<b><u>Hospice Entities</u></b>			
Capital Care Resources, LLC	Kindred Hospice	HOS4887	Edgecombe
Wake Forest Baptist Health Care at Home, LLC	Wake Forest Baptist Health Care at Home Hospice-Wilkes	HOS0407	Wilkes
Wiregrass Hospice of South Carolina, LLC	Kindred Hospice	HOS4791	Granville

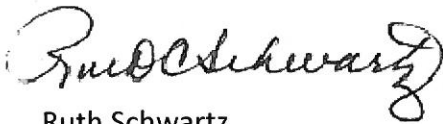
### **III. CERTIFICATE OF NEED REVIEW NOT TRIGGERED**

Pursuant to N.C. Gen. Stat. § 131E-178(b), “[n]o person shall make an acquisition by donation, lease, transfer, or comparable arrangement without first obtaining a certificate of need from the Department, if the acquisition would have been a new institutional health service if it had been made by purchase.” However, given that this transaction results in an indirect ownership change with no changes to the licensed entity, we do not believe that the transaction is subject to a CON

review. Further, an acquisition of “an existing health service facility, including equipment owned by the health service facility at the time of acquisition,” is exempt from certificate of need review pursuant to N.C. Gen. Stat. § 131E-184(a)(8). “Health service facility” is defined by N.C. Gen. Stat. § 131E-176(9b) to include home health and hospice agencies. Thus, even if this transaction does not qualify for a “no review” determination, we believe that the transaction is exempt from CON review because the transaction involves the acquisition of an existing health service facility. **Therefore, we respectfully request your confirmation that this transaction results in a “no review” or, in the alternative, is exempt from CON review.**

If you have any questions or need any additional information, please let me know at your earliest convenience. Thanking you in advance for your prompt attention in this matter.

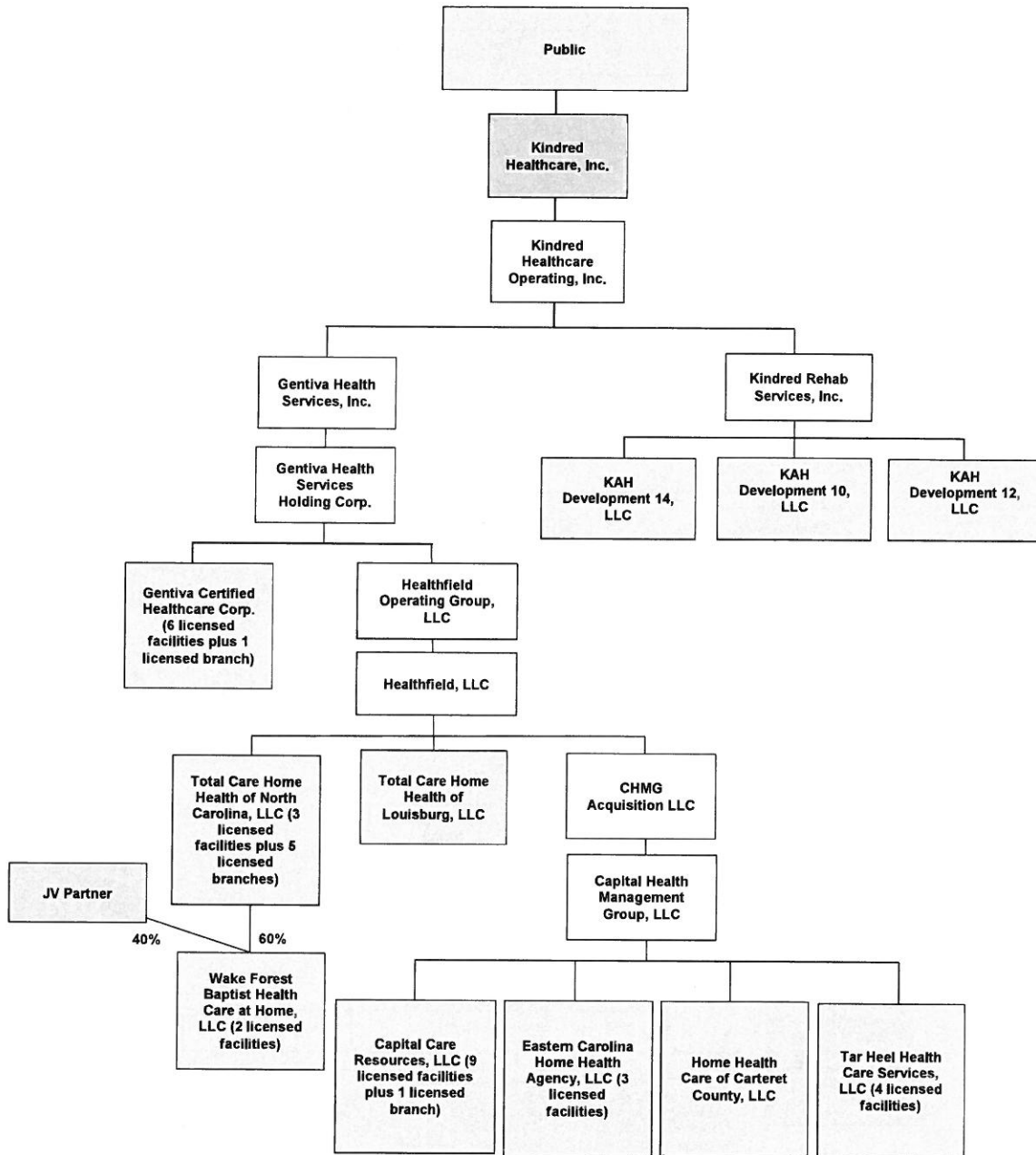
Best regards,

A handwritten signature in cursive script, appearing to read "Ruth Schwartz".

Ruth Schwartz

Enclosures: Attachment A - Pre- and Post-Transaction Organization Charts

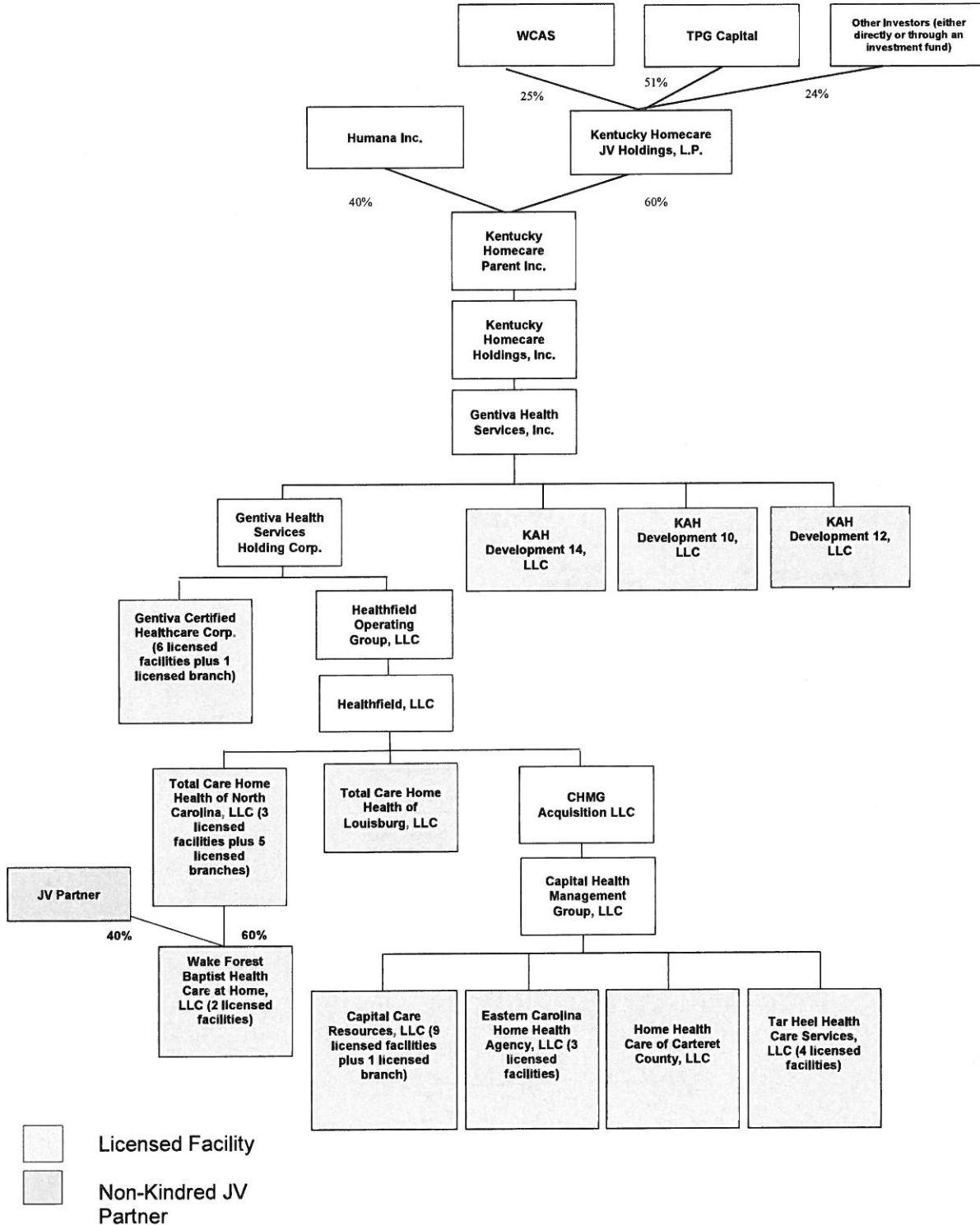
## NORTH CAROLINA - KINDRED HOME HEALTH AGENCIES (STRUCTURE PRIOR TO TRANSACTION)



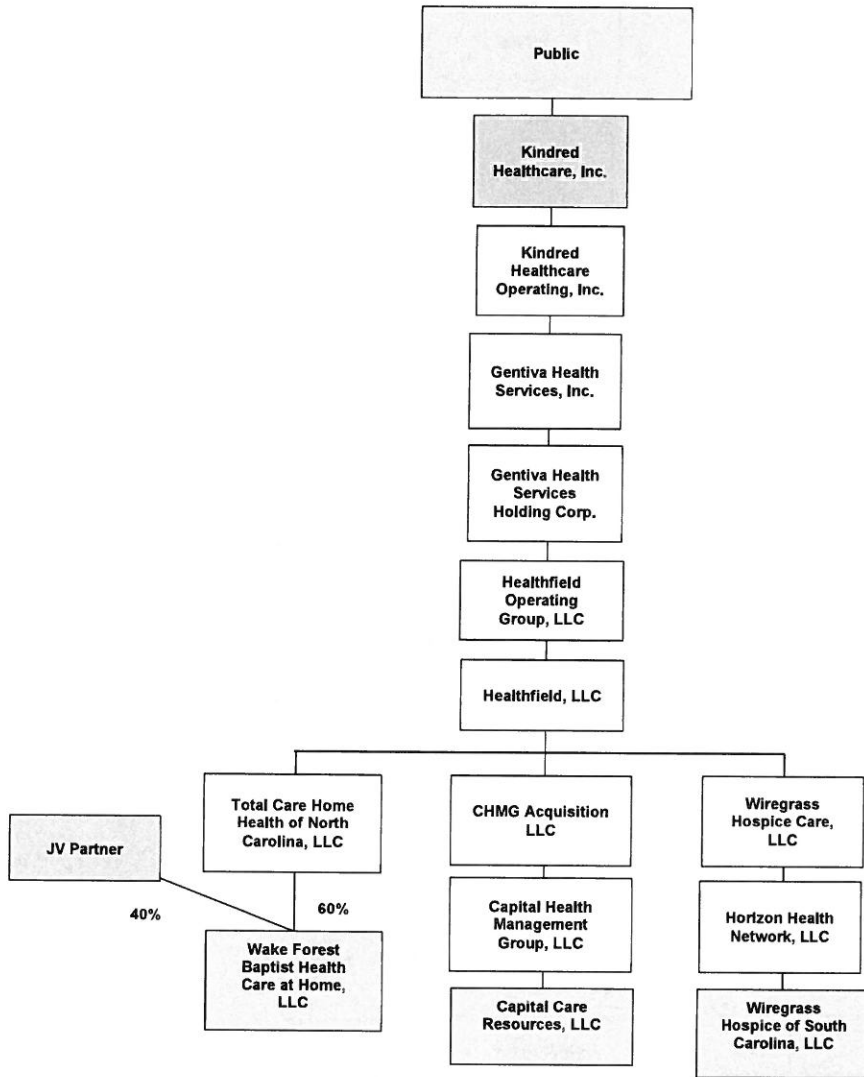
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- Non-Kindred JV Partner



## NORTH CAROLINA - KINDRED HOME HEALTH AGENCIES (STRUCTURE FOLLOWING TRANSACTION)

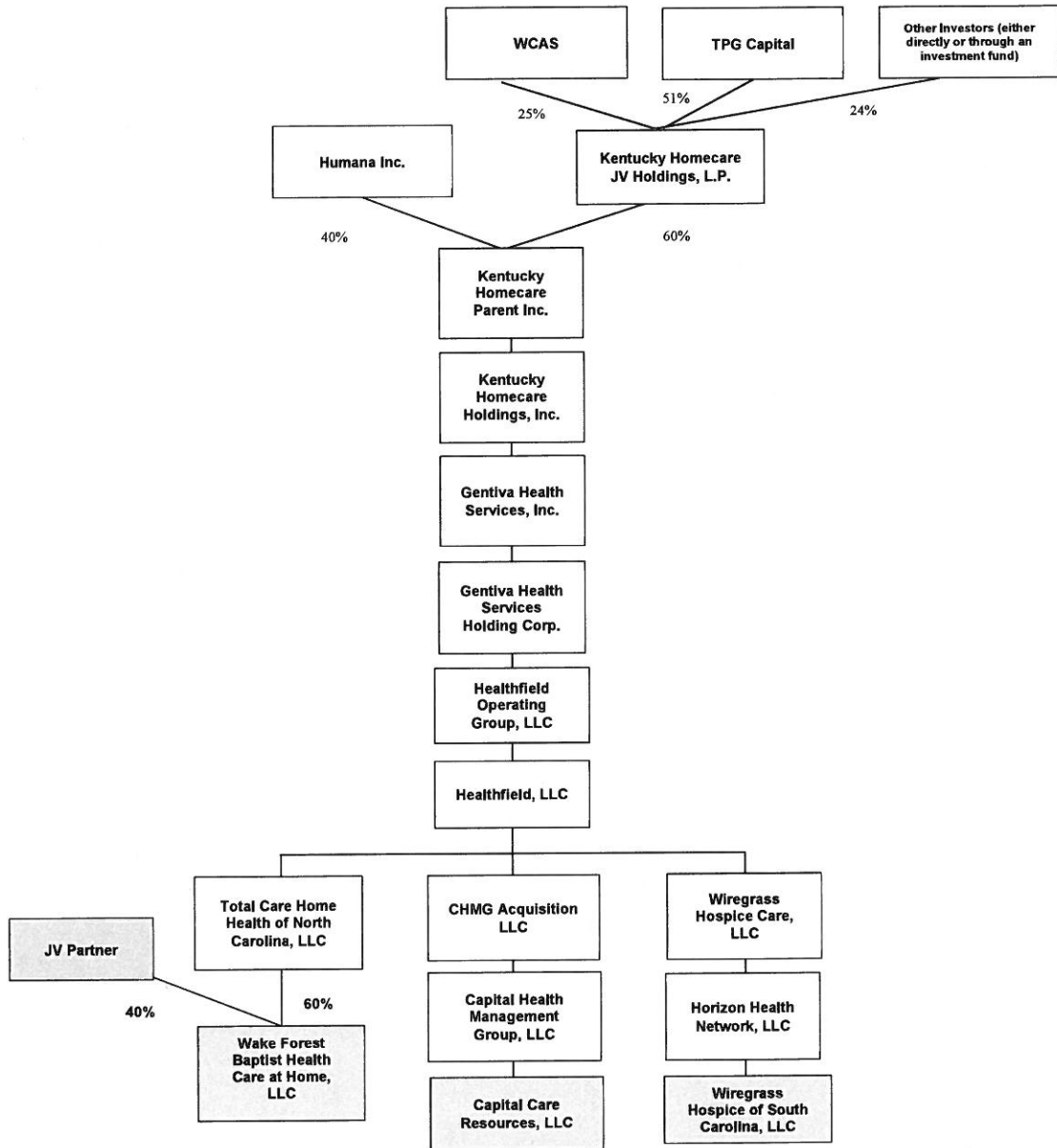


## NORTH CAROLINA - KINDRED HOSPICES (STRUCTURE PRIOR TO TRANSACTION)



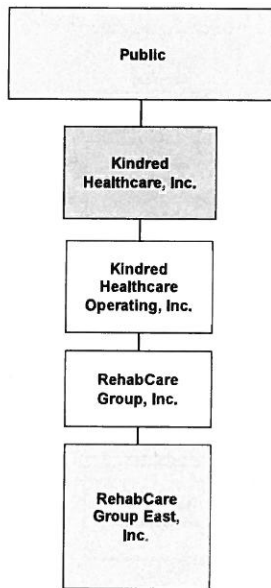
Licensed Facility  
 Non-Kindred JV Partner

## NORTH CAROLINA - KINDRED HOSPICES (STRUCTURE FOLLOWING TRANSACTION)



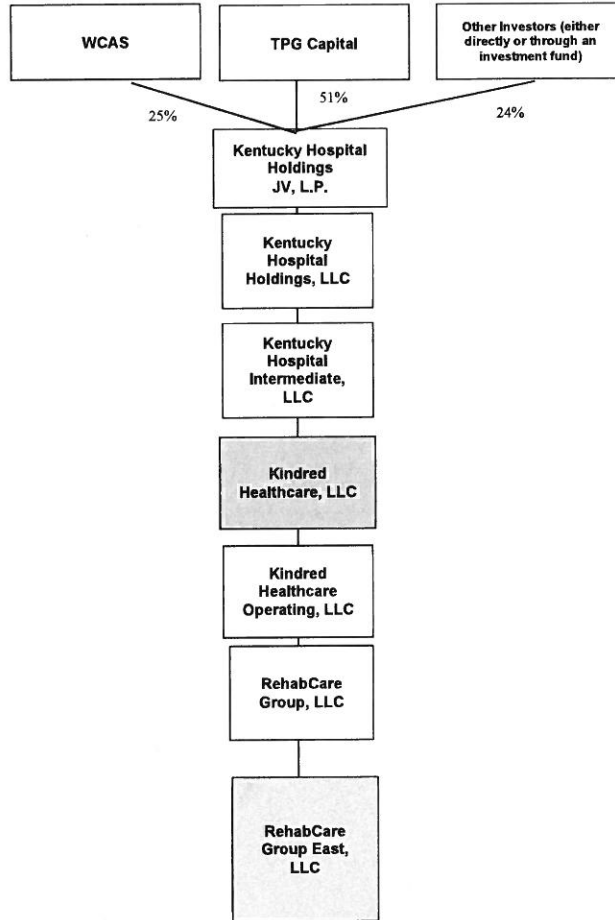
- Licensed Facility
- Non-Kindred JV Partner


**NORTH CAROLINA – KINDRED REHAB CENTERS  
(STRUCTURE PRIOR TO THE TRANSACTION)**



 Licensed Facility

**NORTH CAROLINA – KINDRED REHAB CENTERS  
(STRUCTURE FOLLOWING THE TRANSACTION)**



 Licensed Facility