



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

January 30, 2018

Thomas S. Stukes
300 North Greene Street, Suite 1900
Greensboro, NC 27401

No Review

Record #: 2487
Facility Name: Alleghany Memorial Hospital
FID #: 942935
Business Name: Alleghany County Memorial Hospital, Inc.
Business #: 58
Project Description: Change in indirect ownership structure
County: Alleghany

Dear Mr. Stukes:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of January 19, 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 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

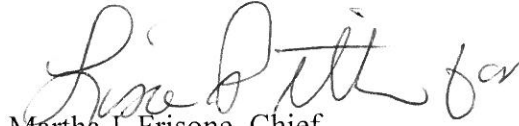


Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Julie M. Faenza
Project Analyst



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

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



Thomas S. Stukes
Direct Dial: 336-574-8065
Direct Fax: 336-574-4560
E-mail: Tom.Stukes@wbd-us.com

Womble Bond Dickinson (US) LLP

300 North Greene Street
Suite 1900
Greensboro, NC 27401

t: 336.574.8030
f: 336.574.4520

January 19, 2018

Via Federal Express Overnight Delivery

Ms. Martha Frisone
Chief, Healthcare Planning and Certificate of Need Section
NC Division of Health Service Regulation
North Carolina Department of Health and Human Services
809 Ruggles Drive
Raleigh, NC 27603



RE: *Alleghany Health LLC to Become Sole Member of Alleghany County Memorial Hospital, Inc.*

Dear Martha:

Our client, Alleghany Health, LLC, a limited liability company whose sole members are Hugh Chatham Memorial Hospital, Inc. and Wake Forest University Baptist Medical Center, hereby gives notice to the Healthcare Planning and Certificate of Need Section that on or about February 1, 2018, Alleghany Health, LLC will become the sole corporate member (i.e. "corporate parent") of Alleghany County Memorial Hospital, Inc., a North Carolina nonprofit corporation ("AMH"), that operates Alleghany Memorial Hospital in Sparta, North Carolina. Alleghany Memorial Hospital will remain intact with all of its licenses, certifications, accreditations, assets, and operations. The only change is that its articles of incorporation and bylaws will be amended to effect the change in corporate governance. The corporate change will be of substantial public benefit by providing for the sustainability and enhancement of healthcare services in Alleghany County and surrounding areas.

We believe that this corporate change does not constitute one of the enumerated "new institutional health services" defined in N.C. Gen. Stat. § 131E-176(16) that requires certificate of need review and approval. To the extent that the Certificate of Need Section may have any concerns that this corporate change may constitute an otherwise reviewable acquisition of an existing health service facility, although we would disagree with such a determination, then this letter constitutes a notice of exemption pursuant to N.C. Gen. Stat. § 131E-184(a)(8).



Please let me know if we need to provide any further information in order for you to confirm our understanding that the above transaction as discussed does not implicate certificate of need review. Thank you for your assistance in this matter. We respectfully request a written response from the agency.

Very truly yours,

Womble Bond Dickinson (US) LLP

Thomas S. Stukes, Partner

TSS:tmp

Enclosure