

NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

July 26, 2019

Charles E. Trefzger, Jr.
400 Second Avenue, NW
Hickory, NC 28601-4993

No Review

Record #: 3004
Facility Name: Hope Springs
FID #: 920569
Business Name: Red Springs Health Holdings, LLC (tenant)
Business #: 2886
Project Description: Change in corporate structure of tenant
County: Robeson

Dear Mr. Trefzger:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence 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 that correspondence is not governed by, and therefore, does not currently require a certificate of need. 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.

You may need to contact the Agency's Adult Care Licensure Section to determine if they have any requirements for development of the proposed project.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office.

Please do not hesitate to contact this office if you have any questions.

Sincerely,

Tanya M. Saporito
Project Analyst

Martha J. Frisone
Chief

cc: Adult Care Licensure Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhhs.gov/dhsr • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

***WP-RS, LLC, WP-RS II, LLC &
Red Springs Health Holdings, LLC***

*Post Office Box 2568
Hickory, North Carolina 28603-2568*



July 19, 2019

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

NR id 3004
Hope Springs FID 920509
Bus id 2886
Ind. id 196

Re: **Letter of Material Compliance**
WP-RS, LLC, WP-RS II, LLC & Red Springs Health Holdings, LLC for Hope Springs (Robeson County) – HAL-078-100 – 63 Adult Care Home Beds

Dear Ms. Frisone:

I am writing on behalf of Red Springs Health Holdings, LLC (“Tenant”) and WP-RS, LLC and WP-RS II, LLC (collectively, the “Landlord”), North Carolina limited liability companies with their principal place of business located at 400 Second Avenue NW, Hickory, North Carolina 28601-4993. Tenant holds the license to operate the adult care home known as *Hope Springs*, located at 104 Hope Lane, Red Springs, North Carolina 28377 (the “Facility”). The Facility has a licensed capacity of 63 adult care home beds (“ACH Beds”). Landlord owns the real estate and building on which the Facility is located. Landlord leases said premises to Tenant.

Because the Facility was developed prior to the enactment of N.C. Session Law 1997-443, the Facility has not been issued a Certificate of Need (“CON”) by the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the “Agency”), though the Facility is subject to North Carolina CON law. Stated differently, the Facility’s 63 ACH beds were “grandfathered in” at the time adult care homes became subject to the CON law.

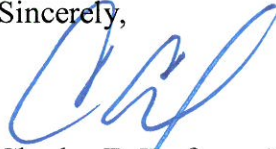
Tenant, for tax purposes, has decided to revise its corporate structure. Please refer to the attached Exhibit A that shows the current corporate structure, as well as the new corporate structure. Other than the changes reflected in Exhibit A, no other changes are contemplated. Under the proposed new corporate structure, Landlord and Tenant will continue to act as Landlord and Tenant, respectively. The proposed change only relates to the entities that ultimately hold the ownership interests in the Tenant. Other than this change, no other change is being made to Tenant. No transfer of the CON is contemplated by this transaction.

In accordance with N.C. Gen. Stat. § 131E-189(c), please allow this letter to serve as prior written notice to the Agency by which the corporate structure of the Tenant is changing. Tenant will continue to operate the Facility in accordance with the provisions of N.C. Gen. Stat. § 131D

et seq. and 10A NCAC 13F *et seq.*

Should you need additional information in order to make a decision on this matter, please do not hesitate to contact me directly.

Sincerely,

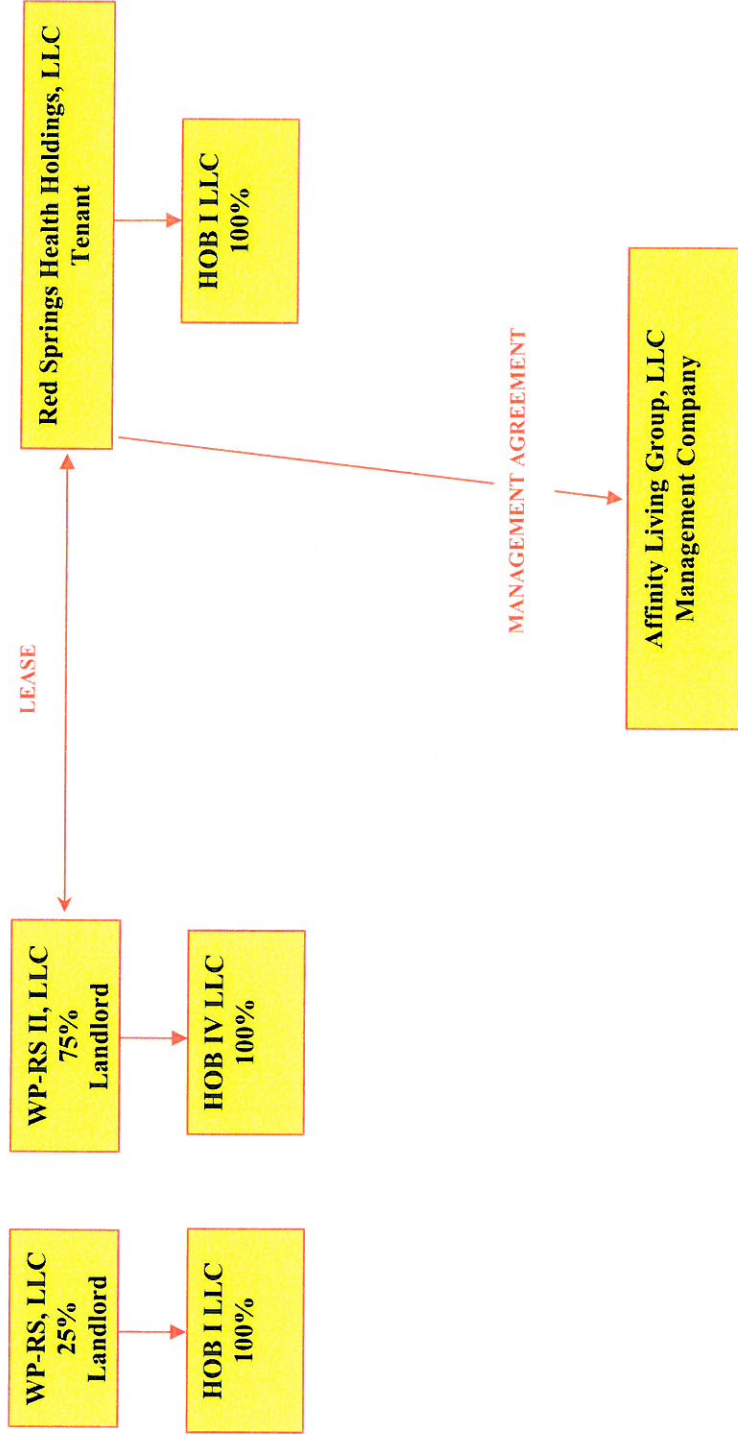
A handwritten signature in blue ink, appearing to read "C. Trefzger, Jr.", written in a cursive style.

Charles E. Trefzger, Jr.
Authorized Representative
WP-RS, LLC
WP-RS II, LLC
Red Springs Health Holdings, LLC

Exhibit A:
Proposed Changes to Corporate Structure

EXHIBIT A

**Hope Springs
Current Corporate Structure**



Hope Springs Proposed New Corporate Structure

