



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

May 10, 2019

Christopher Sprenger  
229 Airport Rd, Suite 7-104  
Arden, NC 28704

**Exempt from Review – Acquisition of Facility**

**Record #:** 2894  
**Facility Name:** Grace Heights Health and Rehabilitation Center  
**Type of Facility:** Nursing Home  
**FID #:** 943407  
**Acquisition by:** Grace Heights Skilled Nursing and Rehabilitation, LLC  
**Business #:** 3028  
**County:** Burke

Dear Mr. Sprenger:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your representations, the above referenced proposal is exempt from certificate of need (CON) review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, the above referenced business may proceed to acquire the health service facility identified above without first obtaining a CON. The Agency's determination is limited to the question of whether or not the above referenced business would have to obtain a CON if the current owners of the health service facility do in fact sell it to the business listed above. Note that pursuant to N.C. Gen. Stat. §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.*"

In the event that the business listed above does acquire the facility, you should contact the Agency's Nursing Home Licensure and Certification Section to obtain instructions for changing ownership of the existing facility.

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 regarding whether or not a certificate of need would be required. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Ena Lighthourne  
Project Analyst

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

cc: Nursing Home Licensure and Certification 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

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May 1, 2019



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

**RE: *Notice of Exempt Acquisition by Lease of North Carolina Skilled Nursing Facility Pursuant to N.C. Gen. Stat. §§ 131E-184(a)(1) and (8)***

Dear Martha:

I am writing on behalf of Grace Heights Skilled Nursing and Rehabilitation, LLC, pursuant to N.C. Gen. Stat. §§ 131E-184(a)(1) and (8), to provide notice to the N.C. Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section of our intent to acquire via a lease arrangement the skilled nursing facility currently known as Grace Nursing Center d/b/a Grace Heights Health and Rehabilitation Center, located at 109 Foothills Dr., North Carolina 28655 (License number NH0408; Facility I.D. No. 943407). The Facility is licensed for one-hundred (120) skilled nursing facility beds. Pursuant to N.C. Gen. Stat. § 131E-176(9b), the Facility is a "health service facility." The lease will be effective 7/1/19.

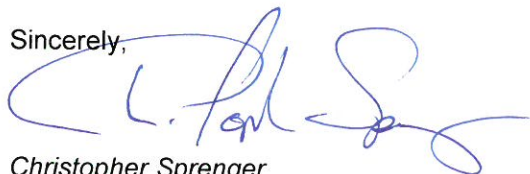
N.C. Gen. Stat. § 131E-176(16)(l) provides that the purchase, lease, or acquisition of any health service facility, or portion thereof, which was developed pursuant to a certificate of need qualifies as a "new institutional health service." N.C. Gen. Stat. § 131E-178(b) provides that "[n]o person shall 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." N.C. Gen. Stat. §§ 131E-184(a)(1) and (8) provide that the acquisition of an existing health service facility, including equipment owned by the health service facility at the time of acquisition, is exempt from CON review upon prior written notice to the Agency of the proposed acquisition.

The acquisition of the Facility via the lease arrangements I have described herein will not involve the development of any new health service facility or otherwise qualify as a "new institutional health service" which would be subject to Agency review under applicable Certificate of Need statutes or regulations. Rather, the transaction I have described herein qualifies as an "exempt transaction" within the meaning of N.C. Gen. Stat. § 131E-184(a)(8). This correspondence is intended to serve as the prior written notice to the Agency required by N.C. Gen. Stat. §§ 131E-184(a)(1) and (8).

Please provide me with written confirmation that this transaction is exempt from CON review pursuant to N.C. Gen. Stat. §§ 131E-184(a)(1) and (8). We would be very appreciative if this reply could be expedited since we will need to apply for a new license for the Facility and we anticipate including the Agency's response to this correspondence as part of that application.

I appreciate your attention to this matter. Please let me know if there are any questions regarding this notice or if the Agency needs further information.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Sprenger". The signature is fluid and cursive, with a large initial "C" and a long, sweeping underline.

Christopher Sprenger  
Manager

PLEASE SEND LETTER TO :

**SanStone Health and Rehabilitation**  
**229 Airport Rd. Suite 7-104**  
**Arden, NC 28704**