



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

June 21, 2021

Denise M. Gunter
Denise.gunter@nelsonmullins.com

Exempt from Review – Acquisition of Facility

Record #: 3594
Date of Request: June 15, 2021
Facility Name: Randolph Health StayWell Senior Care
Type of Facility: Home Care
FID #: 200669
Acquisition by: American Healthcare Systems, LLC
Business #: 3332
County: Randolph

Dear Ms. Gunter:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that the project described above is exempt from certificate of need (CON) review in accordance with G.S. 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 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 G.S. 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.”

If the business listed above does acquire the facility, you should contact the Agency’s & (Section Name) 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 a certificate of need would be required. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Celia C. Inman
Celia C. Inman
Project Analyst

Gloria C. Hale

for
Lisa Pittman
Assistant Chief, Certificate of Need

cc: Acute and Home Care Licensure and Certification Section, DHSR

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

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June 15, 2021

VIA EMAIL

Lisa Pittman, Interim Chief
Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: Notice of Exemption
StayWell Senior Care (HC#5673)
Randolph County
Health Service Area II

Dear Ms. Pittman:

Pursuant to N.C. Gen. Stat. § 131E-184(a)(6), I am writing on behalf of Randolph Hospital, Inc. d/b/a Randolph Health (“Randolph Health”) to provide prior written notice of American Healthcare Systems, LLC’s (“Buyer”) intent to acquire Randolph Health’s interest in Staywell Senior Care (“Staywell”) (HC#5673), and to continue operating Staywell at 809 Curry Drive, Asheboro, North Carolina 27205 (the “Transaction”). Randolph Health currently owns an 80% interest in StayWell. The Moses H. Cone Memorial Hospital Operating Corporation owns a 15% membership interest, and Hospice of the Piedmont, Inc.¹ owns the remaining 5% membership interest.

Staywell is a non-residential facility that includes an adult day health area, comprehensive medical services on site and additional services including transportation and medications. It is operated as part of the federal Program of All-Inclusive Care for the Elderly (PACE). Buyer intends to continue to operate StayWell at its present location. The approval of this exemption will allow StayWell to continue to serve elderly patients under new majority ownership.

¹ Hospice of Randolph County, Inc. merged with and into Hospice of the Piedmont, Inc. on September 30, 2019.

Lisa Pittman, Interim Chief
June 15, 2021
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As you may know, Randolph Health is currently under bankruptcy protection. Buyer's bid to acquire substantially all of Randolph Health's operating assets has received bankruptcy court approval. Buyer's acquisition of Randolph Health will keep the hospital open, ensuring continued local access to health care services in Randolph County while preserving the jobs of Randolph Health employees. Similarly, Buyer's acquisition of Randolph Health's 80% interest in StayWell also ensures that StayWell will continue to serve the needs of the elderly in Randolph County and surrounding areas.

As a home care only agency, StayWell is not a "health service facility" as that term is defined in N.C. Gen. Stat. § 131E-176(9b). N.C. Gen. Stat. § 131E-184(a)(6) provides that upon prior written notice, the Department shall exempt from certificate of need ("CON") review the provision of any "nonhealth service facility or service" which notice contains an explanation of why the new institutional health service is needed.²

As this Transaction is expected to close on July 1, 2021, we would appreciate your prompt response to this letter, confirming that no CON is required for the Transaction. Please let me know if you have any questions or need any additional information.

Sincerely,



Denise M. Gunter

cc: Faisal Gill, Esq. (Counsel to Buyer)

² To the extent the Agency considers StayWell a "health service facility," Randolph Health respectfully asks the Agency to determine that the Transaction is exempt under N.C.G.S. § 131E-184(a)(8)(exempting the acquisition of existing health service facilities).