



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

May 27, 2021

Cory Hess

Cory.hess@harnetthealth.org

No Review

Record #: 3581

Date of Request: May 19, 2021

Facility Name: Cape Fear Valley Central Harnett Hospital (FID# 050926)
Cape Fear Valley Betsy Johnson Hospital (FID# 922969)

Business Name: Cape Fear Valley Health System

Business #: 335

Project Description: Change of control for Harnett Health System to allow for Cape Fear Valley Health System to be named as the sole member and d/b/a name change for Betsy Johnson Hospital and Central Harnett Hospital

County: Harnett

Dear Ms. Hess:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence regarding the project described above. Based on the CON law **in effect on the date of this response to your request**, the project as described 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.

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.

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

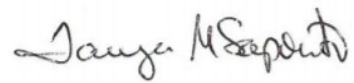
LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

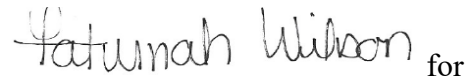
Cory Hess
May 27, 2021
Page 2

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

Sincerely,

Handwritten signature of Tanya M. Saporito in cursive.

Tanya M. Saporito
Project Analyst

Handwritten signature of Fatimah Wilson in cursive, followed by the word "for".

Lisa Pittman
Acting Chief, Certificate of Need

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

May 19, 2021

Via Overnight Mail

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Healthcare Planning Section
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Notice of Change of Control

- **Harnett Health System d/b/a Betsy Johnson Hospital**
- **Harnett Health System d/b/a Central Harnett Hospital**

This letter provides notice of a planned change of control and d/b/a name change transaction between Harnett Health System, Inc. d/b/a Harnett Health System (“HHS”) and Cumberland County Hospital System, Inc. d/b/a Cape Fear Valley Health System (“CFVHS”), anticipated to be effective on June 30, 2021 (the “Change of Control”).

Currently, HHS is a non-member corporation with the majority of its Board of Directors appointed by Harnett County. As of the Change of Control, HHS will amend its Articles of Incorporation to permit HHS to have members, and CFVHS will be named as the sole member of HHS. In addition, as of the Change of Control, HHS’s Board of Directors will be appointed by CFVHS, as set forth in HHS’s Restated Articles of Incorporation and amended Bylaws. This transaction will also result in d/b/a name changes to HHS’s hospitals; the intended d/b/a names are as follows:

- The d/b/a name for Betsy Johnson Hospital will be changed to Cape Fear Valley Betsy Johnson Hospital.
- The d/b/a name for Central Harnett Hospital will be changed to Cape Fear Valley Central Harnett Hospital.

HHS will otherwise continue to operate in its current form, and own and operate HHS’s hospitals. There will be no change in the legal business name, tax identification number, or addresses of HHS as a result of the Change of Control. HHS will continue to maintain its own licenses, permits, provider numbers, and accreditations. Enclosed as Exhibit A is a diagram of the organizational structure before and after the Change of Control.

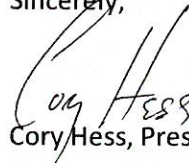


HARNETT HEALTH

P.O. Box 1706
Dunn, NC 28335
(910) 892-1000
www.Myharnetthealth.org

Should you have any questions or need any additional information, please do not hesitate to contact me at 910-892-1000 or cory.hess@harnetthealth.org. Thank you for your attention to this matter.

Sincerely,



Cory Hess, President

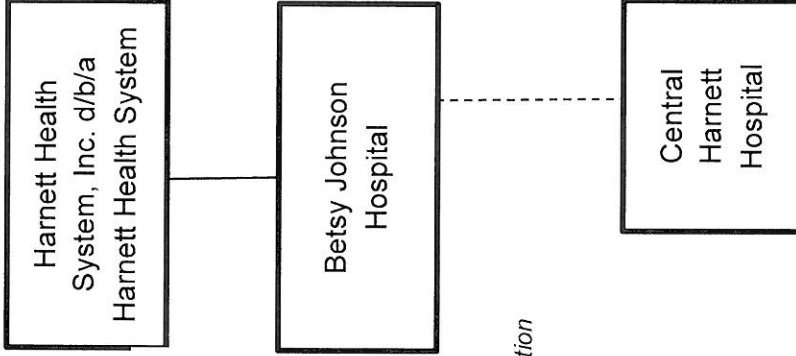
Harnett Health System, Inc.

Enclosures

Exhibit A

Organizational Chart Before and After Change of Control

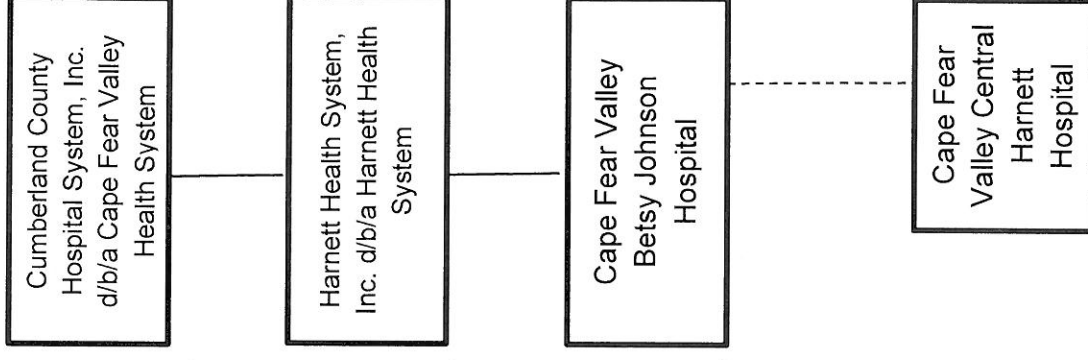
Before June 30, 2021



Majority of Board of Directors appointed by Harnett County

Central Harnett Hospital operates as a satellite location of Betsy Johnson Hospital

June 30, 2021 and After



Cape Fear Valley Health System is the sole member of Harnett Health System

Cape Fear Valley Health System appoints Harnett Health System Board of Directors, which oversees operation of HHS hospitals

Changes to hospital DBA names but generally no changes to hospital operations or licensure, with Cape Fear Valley Central Harnett Hospital continuing to operate as a satellite location of Cape Fear Valley Betsy Johnson Hospital