



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

November 23, 2021

Robert A. Leandro
robbleandro@parkerpoe.com

Exempt from Review – Acquisition of Facility

Record #: 3737
Date of Request: October 18, 2021
Facility Name: Pitt County Group Home #1
Type of Facility: MHL
FID #: 922403
Acquisition by: NC Pace Re, LLC
Business #: 2280
County: Pitt

Dear Mr. Leandro:

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,

[Handwritten signature of Gregory F. Yakaboski]

Gregory F. Yakaboski
Project Analyst

[Handwritten signature of Micheala Mitchell]

Micheala Mitchell
Chief

cc: Mental Health 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
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Robert A. Leandro

Partner

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Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

October 18, 2021

VIA ELECTRONIC MAIL

Micheala Mitchell, Chief
Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704
micheala.mitchell@dhhs.nc.gov

Re: Acquisition of ICF Facilities by RHA Health Services, LLC

Dear Ms. Mitchell:

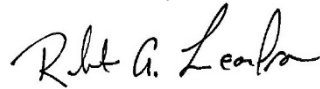
Our firm represents RHA Health Services, LLC (“RHA”) and NC Pace Re, LLC, (“NC Pace”) an affiliate of RHA. This letter is intended to provide the Healthcare Planning and Certificate of Need Section (the “Agency”) with prior written notice that our clients plan to acquire the Intermediate Care Facilities (“ICFs”) listed in Attachment A (the “ICF Facilities”) and the additional facilities listed in Attachment B (the “Non-ICF Facilities”)(collectively the “Facilities”). The Change of Ownership is scheduled to occur on or around December 14, 2021. RHA will be the operator and licensee of the Facilities and NC Pace will take ownership of the properties.

Under North Carolina law, the ICF Facilities at issue are considered a “health care facility” as defined by the CON statute, and therefore the ownership of the ICF Facilities can be transferred without the issuance of a CON if prior written notice is provided to the Agency. See N.C. Gen. Stat. § 131E-184(a). We understand that by providing this notice, RHA’s acquisition of the rights to operate the Facilities and NC Pace’s acquisition of the Facilities property listed in Attachment A are exempt from any review by the CON Section. We also understand that the Non-ICF Facilities listed in Attachment B are not subject to CON review, including the prior notice requirement found in N.C. Gen. Stat. § 184(a).

PPAB 6643627v1

RHA and NC Pace requests that the CON Section confirm in writing that this acquisition is not subject to Certificate of Need review. If you have any questions, please feel free to give me a call. I greatly appreciate your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Robert A. Leandro". The signature is written in a cursive style with a large, prominent initial "R".

Robert A. Leandro

cc: Lisa Pittman, Assistant Chief, Lisa.Pittman@dhhs.nc.gov

Enclosures

Attachment A

Pitt County Group Home #1

License MHL-074-003 issued by the Licensure Section for the operation of a 6-bed ICF at 6570 Fairway Drive, Grifton, NC 28530.

Pitt County Group Home #2

License MHL-074-015 issued by the Licensure Section for the operation of a 6-bed ICF at 4263 N. Edge Road, Ayden, NC 28513.

Pitt County Group Home #3

License MHL-074-097 issued by the Licensure Section for the operation of a 6-bed ICF at 6962 Church Street, Grifton, NC 28530.

Attachment B

Pitt County Group Home #4

License MHL-074-021 issued by the Licensure Section for the operation of a 6-bed DDA Group Home at 1203 Red Banks Road, Greenville, NC 27834.

Pitt County Group Home #5

License MHL-074-037 issued by the Licensure Section for the operation of a 6-bed DDA Group Home at 2240 Edgewater Drive, Winterville, NC 28590.

From: [Mitchell, Micheala L](#)
To: [Waller, Martha K](#)
Subject: Fw: [External] RHA CON Prior Notice for Pitt County Group Homes Letter.pdf
Date: Monday, October 18, 2021 4:58:45 PM
Attachments: [RHA CON Prior Notice for Pitt County Group Homes Letter.pdf](#)

Please see the attached! Thank you!

Hope you're well.

Micheala Mitchell, JD
[NC Department of Health and Human Services](#)
[Division of Health Service Regulation](#)
Section Chief, Healthcare Planning and CON Section
809 Ruggles Drive, Edgerton Building
2704 Mail Service Center
Raleigh, NC 27699-2704
Office: [919 855 3879](tel:9198553879)
Micheala.Mitchell@dhhs.nc.gov

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From: Leandro, Robert A. <robbleandro@parkerpoe.com>
Sent: Monday, October 18, 2021 4:56 PM
To: Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>; Pittman, Lisa <lisa.pittman@dhhs.nc.gov>
Subject: [External] RHA CON Prior Notice for Pitt County Group Homes Letter.pdf

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Micheala and Lisa,

I hope you all are doing well. Please find attached the prior written notice from our client regarding the planned acquisition of several ICF facilities by our client. Should you have any questions please let me know.

Robb

Robert Leandro

Partner

Find our latest health care analysis [here](#).



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