



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

February 21, 2022

Catherine Deist
catherine.deist@mfsllp.com

Exempt from Review – Acquisition of Facility

Record #: 3817
Date of Request: February 15, 2022
Facility Name: The Social at Cotswold
Type of Facility: Adult Care Home
FID #: 970113
Acquisition by: BMSL Cotswold PropCo LLC
Business #: 3526
County: Mecklenburg

Dear Ms. Deist:

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 Adult Care Licensure 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 Julie M. Faenza

Julie M. Faenza
Project Analyst

Handwritten signature of Micheala Mitchell

Micheala Mitchell
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
https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873

From: [Faenza, Julie M](#)
To: [Waller, Martha K](#)
Subject: FW: [External] CON exemption letter
Date: Tuesday, February 15, 2022 10:47:41 AM
Attachments: [CON Letter .pdf](#)

For logging. It's going to be a new exemption request even though it's related to a previously issued exemption. Thanks!

Julie M. Faenza, Esq.

Project Analyst, Certificate of Need

[Division of Health Service Regulation](#), [Healthcare Planning and Certificate of Need Section](#)
[NC Department of Health and Human Services](#)

Office: 919-855-3873 (*I am working remotely most of the time; email is the best way to reach me.*)

Julie.Faenza@dhhs.nc.gov

Pronouns: She/her/hers

Don't wait to vaccinate. Find a COVID-19 vaccine location near you at [MySpot.nc.gov](#).

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From: Catherine Deist <Catherine.Deist@mfsllp.com>

Sent: Monday, February 14, 2022 3:23 PM

To: Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>

Subject: [External] CON exemption letter

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Hi, Ms. Faenza –

On February 9, 2022, we received the CON exemption letter from you regarding our client's purchase of an existing health service facility called The Social at Cotswold (attached). (Thank you!)

However, the name of the company that will *actually* make the acquisition is different than the name of the company listed on the letter. The company that will be making the purchase is called BMSL Cotswold PropCo LLC. The company that is listed on the letter, Charter Senior Living of Charlotte, LLC, is only the management company.

Everything else remains the same. Is there a way to provide you with a simple name change to this existing letter, as opposed to refiling for a CON review exemption?

Thank you so much,

Catherine Deist

Catherine Deist

Mukasey Frenchman LLP

210-273-4340 | Catherine.Deist@mfsllp.com

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VIA EMAIL ONLY

February 9, 2022

Torrey K. Young
torrey.young@mfsllp.com

Exempt from Review – Acquisition of Facility

Record #: 3809
Date of Request: February 3, 2022
Facility Name: The Social at Cotswold
Type of Facility: Adult Care Home
FID #: 970113
Acquisition by: Charter Senior Living of Charlotte, LLC
Business #: 3521
County: Mecklenburg

Dear Ms. Young:

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.”

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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 Julie M. Faenza

Julie M. Faenza
Project Analyst

Handwritten signature of Micheala Mitchell

Micheala Mitchell
Chief

cc: Adult Care Licensure Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
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MUKASEY
FRENCHMAN 
570 Lexington Avenue, Suite 3500
New York, NY 10022

January 21, 2021

Micheala Mitchell, Esq., Chief
Lisa Pittman, Assistant Chief
N.C. Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, N.C. 27603
micheala.mitchell@dhhs.nc.gov
Lisa.pittman@dhhs.nc.gov

Re: *Notice of Exemption for Acquisition of Existing Home Health Agency*

Dear Micheala and Lisa:

I'm writing on behalf of our client Charter Senior Living of Charlotte, LLC ("Charter") to provide the N.C. Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section ("the CON Section" or "the Agency") with prior written notice of Charter's intent to acquire the existing health service facility known as the Social at Cotswold as further described below ("the Project"). We believe that the Project is exempt from further CON Section Review and does not require that Charter obtain a CON before proceeding with the Project, pursuant to N.C. Gen. Stat. section 131E-184(a)(8).

Background and Project Description

Charter will enter into an asset purchase agreement with Columbia Pacific Advisors ("CPA") pursuant to which Charter will acquire the assets of the Social at Cotswold, located at 3610 Randolph Rd, Charlotte, NC 28211. The transaction is scheduled to close on or about March 1, 2022.

Applicable Legal Authorities

The CON Law includes a specific exemption for health-related expenditures where the purpose of the expenditure is "to acquire an existing health service facility, including any equipment owned by the health service facility at the time of the acquisition." N.C. Gen. Stat. section 131E-184(a)(8). Adult care homes are included in the definition of "health service facilities" at N.C. Gen. Stat. section 131E-176 (1). As such, the acquisition of an existing adult care home does not require a CON and is not subject to further CON Section review where the Agency receives advance written notice of the acquisition. N.C. Gen. Stat. section 131E-184(a)(8).

Since Charter is acquiring an existing adult care home, and thus an "existing health service facility," the acquisition of the Social at Cotswold is exempt from further CON Section review and Charter is not required to obtain a CON to proceed with the Project. Charter will coordinate with the DHR Acute and Home Care Licensure Section to complete the required change of ownership licensure application.

Conclusion

For the reasons stated herein, the Project qualifies under the exemption from CON Section review set forth at N.C. Gen. Stat. section 131E-184(a)(8). Please allow this letter to serve as the advance written notice required by N.C. Gen. Stat. section 131E-184(a)(8). We would appreciate

MUKASEY

FRENCHMAN 
570 Lexington Avenue, Suite 3500
New York, NY 10022

the CON Section acknowledging at its earliest convenience that the Project, as described herein, is not subject to CON Section review and that Charter may proceed with the Project without first obtaining a CON.

Please let me know if you have questions or need additional information regarding this notice.

Very truly yours,

/s/ Torrey K. Young

Torrey K. Young, Partner
212-466-6409
Torrey.young@mfsllp.com