



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704
<http://www.ncdhhs.gov/dhsr/>

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Phone: (919) 855-3873
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December 7, 2012

Kenneth L. Burgess
Poyner Spruill, LLP
P.O. Box 1801
Raleigh, NC 27602-1801

Exempt from Review – Acquisition of Facility

Facility: PPRC Nursing Home, Inc. d/b/a Westchester Manor at Providence Place
Acquisition by: Wesleyan Arms, Inc.
County: Guilford
FID #: 030007

Dear Mr. Burgess:

In response to your letter of December 4, 2012, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S. 131E-184(a)(8). Therefore, Wesleyan Arms, Inc. may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact Nursing Home Licensure and Certification Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C.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.”*

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. If you have any questions concerning this matter, please feel free to contact this office.

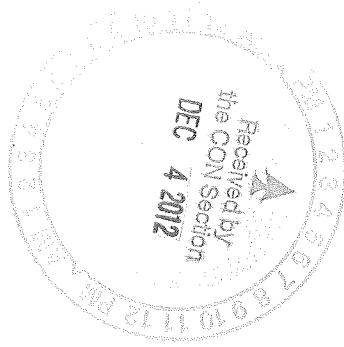
Sincerely,

Celia C. Inman
Project Analyst

Craig R. Smith, Chief
Certificate of Need Section

cc: Nursing Home Licensure and Certification Section, DHSR





Poyner Spruill^{LLP}

December 4, 2012

Kenneth L. Burgess
Partner
D: 919.783.2917
F: 919.783.1075
kburgess@poynerspruill.com

VIA HAND-DELIVERY

Craig R. Smith, Chief
Certificate of Need Section
N.C. Department of Health and Human Services
809 Ruggles Drive
Raleigh, NC 27603

RE: Notice of Exempt Acquisition of PPRC Nursing Home, Inc. d/b/a Westchester Manor at Providence Place Pursuant to N.C. Gen. Stat. § 131E-184(a)(8)

Dear Craig:

I am writing on behalf of our client, Wesleyan Arms, Inc., pursuant to N.C. Gen. Stat. § 131E-184(a)(8), to provide notice to the N.C. Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section ("the Agency") of our client's intent to lease the skilled nursing facility known as PPRC Nursing Home, Inc. d/b/a Westchester Manor at Providence Place (Westchester Manor), located at 1795 Westchester Place, High Point, North Carolina 27262 ("the Facility"). The Facility is a skilled nursing facility, consisting of one hundred twenty-nine (129) skilled nursing facility beds.

Our client, Wesleyan Arms, Inc., is a North Carolina nonprofit corporation which presently manages Westchester Manor for the current licensee, PPRC Nursing Home, Inc. Through the transaction I describe herein, Wesleyan Arms, Inc. will lease the facility and all tangible personal property from the current licensee and will acquire its own license to operate the facility as licensee. This lease arrangement will not involve the development of any new health service facility or service or otherwise qualify as a "new institutional health service" under N.C. Gen. Stat. § 131E-176(16) in a manner which would require review by the Agency the State's certificate of need laws.

Pursuant to N.C. Gen. Stat. § 131E-176(9)(b), a skilled nursing facility is a health service facility. Pursuant to N.C. Gen. Stat. § 131E-176(16)(l), the "purchase, lease, or acquisition of any health service facility" is a "new institutional health service" if the health service facility was developed under a certificate of need. Pursuant to N.C. Gen. Stat. § 131E-178(b) "no 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." Pursuant to N.C. Gen. Stat. § 131E-184(a)(8), 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.

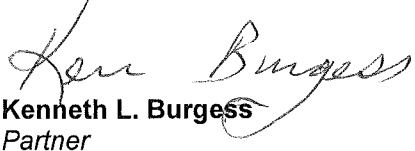
The transaction I have described herein does not involve the purchase or other acquisition of the physical plant or other assets of the current licensee and, as such, likely does not qualify as a new institutional health service within the meaning of the CON Statute. If the transaction does qualify as such, then it would qualify as an "exempt transaction" within the meaning of N.C. Gen. Stat. § 131E-184(a)(8). This correspondence is intended to serve as the written notice required by that statutory provision, to the extent it is applicable.

Craig R. Smith, Chief
December 4, 2012
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Please provide me with written confirmation that this transaction is not subject to review by the CON Section because either it is not a new institutional health service within the meaning of the CON Statute or is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(8). We would be very appreciative if this reply could be expedited since our client will need to apply for a new license for the Facility and we are required to include 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.

Very truly yours,

A handwritten signature in cursive script that reads "Ken Burgess". The signature is written in black ink and is positioned above the typed name and title.

Kenneth L. Burgess
Partner