



North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Drexdal Pratt  
Division Director

August 20, 2013

Charles E. Trefzger, Jr.  
P.O. Box 2568  
Hickory, NC 28603-2568

**Exempt from Review – Acquisition of Facility**

Facility: Seven Lakes Assisted Living  
Acquisition by: IP West End Properties, LLC  
County: Moore  
FID #: 920529

Dear Mr. Trefzger:

In response to your letter of August 14, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, IP West End Properties, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Adult Care Licensure 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,

Tanya S. Rupp  
Project Analyst

Craig R. Smith, Chief  
Certificate of Need Section

cc: Medical Facilities Planning Branch, DHSR  
Adult Care Licensure Section, DHSR



**Certificate of Need Section**

[www.ncdhhs.gov](http://www.ncdhhs.gov)

Telephone: 919-855-3873 • Fax: 919-733-8139

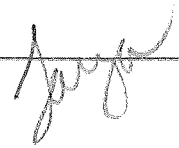
Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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**Waller, Martha K**



**From:** Mel Deaton [mdeaton@meridiansenior.com]  
**Sent:** Wednesday, August 14, 2013 4:52 PM  
**To:** Waller, Martha K  
**Subject:** FW: Seven Lakes Assisted Living - CON Exempt from Review Request  
**Attachments:** Seven Lakes - CON Exempt from Review Request 081413.pdf

Martha-

Per our discussion, please see my email below, as well as a copy of the attached letter.

Thank you for your help.

Mel Deaton

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**From:** Mel Deaton  
**Sent:** Wednesday, August 14, 2013 4:45 PM  
**To:** [craig.smith@dhhs.nc.gov](mailto:craig.smith@dhhs.nc.gov)  
**Subject:** Seven Lakes Assisted Living - CON Exempt from Review Request

Mr. Smith-

Good afternoon!

We previously submitted a CON Exempt from Review Request regarding Seven Lakes Assisted Living earlier this month. We just discovered an error in that letter. On the 1<sup>st</sup> page, Section I. THE PROPOSAL, the original letter stated that the name of the facility would change to Sandhills Memory Care. The name of the facility will NOT change; it will still be called Seven Lakes Assisted Living. Please find attached a copy of the revised letter.

Thank you for your assistance in this matter.

Respectfully,

Mel Deaton



**J. Melvin Deaton**  
Executive Assistant  
Meridian Senior Living, LLC  
**Mailing:** P.O. Box 2568  
Hickory, NC 28603-2568  
**Overnight:** 1270 25th Street Place, Southeast  
Hickory, NC 28602-9657  
PH: (828) 261-7312 ☎  
Fax: (828) 318-8733 📠  
Email: [mdeaton@meridiansenior.com](mailto:mdeaton@meridiansenior.com) 📧

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# **West End Holdings, LLC**

*Post Office Box 2568  
Hickory, North Carolina 28603-2568*

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August 14, 2013

Mr. Craig Smith, Chief  
Certificate of Need Section  
Division of Health Service Regulation  
Department of Health and Human Services  
Dorothea Dix Hospital Campus  
809 Ruggles Drive  
Raleigh, NC 27603

**Re: Exemption Notice for Seven Lakes Assisted Living (Adult Care Home in Moore County)  
Facility ID: 920529**

Dear Mr. Smith:

IP West End Properties, LLC ("IP West End") is planning to acquire an adult care home in Moore County, currently known as Seven Lakes Assisted Living (hereafter "the Facility"). The Facility is located at 292 McDougall Drive in West End, North Carolina. The Facility is listed in the "Inventory of Adult Care Home Beds" in the 2013 State Medical Facilities Plan as having 60 adult care home beds (see Exhibit A).

IP West End is seeking to purchase the Facility through a purchase and sale agreement. The purpose of this letter is to provide prior notice of this acquisition, which is exempt from Certificate of Need ("CON") review, to the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (the "Agency"). IP West End seeks confirmation that it is permitted to acquire the Facility as described herein without CON Review, thus acquiring the Facility's existing CON rights to own that existing health service facility (as defined in the CON statute) with 60 adult care beds.

## **I. THE PROPOSAL**

As of this date, AA Holdings – West End, LLC owns the property and building comprising the Facility, which is an existing "health service facility," as that term is defined in N.C. Gen. Stat. § 131E-176(9)(b), and West End Holdings, LLC is the Licensee. IP West End will purchase the Facility, and the Licensee will remain West End Holdings, LLC. The Facility will still be known as Seven Lakes Assisted Living.

## **II. EXEMPTION NOTICE**

Under North Carolina law, a Certificate of Need ("CON") is required only prior to offering or developing a "new institutional health service." "New institutional health service" includes a

Mr. Craig Smith, Chief  
Certificate of Need Section  
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variety of services and activities, including a capital expenditure exceeding \$2 million. N.C. Gen. Stat. § 131E-176(16)(b).

The North Carolina General Assembly saw fit to exempt certain types of services or proposals from CON review, pursuant to N.C. Gen. Stat. § 131E-184. One such exempt service or proposal includes the acquisition of an existing health service facility, "including equipment owned by the health service facility at the time of acquisition." N.C. Gen. Stat. § 131E-184(a)(8).

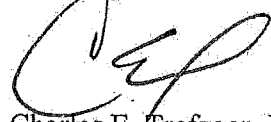
This project involves only the acquisition of an existing adult care home, which falls within the purview of the statutory definition of "health service facility." After acquisition, the current Licensee, West End Holdings, LLC, will continue to operate the Facility as an adult care home. Furthermore, IP West End's acquisition of the Facility does not entail the purchase of any major medical equipment or any *per se* reviewable equipment as defined in N.C. Gen. Stat. §§ 131E-176(14)(o) and (16)(f1). Likewise, the acquisition does not include the offering of any *per se* reviewable services. N.C. Gen. Stat. § 131E-176(16)(f). Thus, given that the transaction involves only the acquisition of an existing health services facility, it is exempt from CON review.

### III. CONCLUSION

Based on the foregoing information, we hereby request the Agency's confirmation that the proposal described above is exempt from CON review, pursuant to N.C. Gen. Stat. § 131E-184(a)(8), and thus IP West End may acquire the Facility with all its existing CON rights without a CON.

In addition, we respectfully request that this request be considered on an expedited basis because the parties wish to proceed with this transaction as soon as possible. If you require additional information to consider this request, please contact us at (828) 261-7312 as soon as possible. We thank you for your consideration of this request.

Sincerely,



Charles E. Trefzger, Jr.  
Manager

Enclosure

# West End Holdings, LLC

Post Office Box 2568  
Hickory, North Carolina 28603-2568

*Joseph*

August 2, 2013

Mr. Craig Smith, Chief  
Certificate of Need Section  
Division of Health Service Regulation  
Department of Health and Human Services  
Dorothea Dix Hospital Campus  
809 Ruggles Drive  
Raleigh, NC 27603



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Facility ID: 920529**

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Mr. Craig Smith, Chief  
Certificate of Need Section  
August 2, 2013  
Page Two

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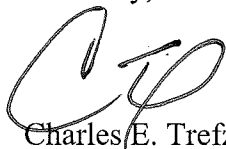
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In addition, we respectfully request that this request be considered on an **expedited basis** because the parties wish to proceed with this transaction as soon as possible. If you require additional information to consider this request, please contact us at (828) 261-7312 as soon as possible. We thank you for your consideration of this request.

Sincerely,



Charles E. Trefzger, Jr.  
Manager

Enclosure

Table 11A: Inventory of Adult Care Homes (Assisted Living) Beds

County	Facility Name	Licensed Beds in Nursing Homes	Licensed Beds in Hospitals	Licensed Beds in Adult Care Facilities	Total Licensed Beds	CON Approved/License Pending				Total Planning Inventory		
						CON	ACH Exempt	ACH Pipeline	CON Bed Transfer			
Moore	Seven Lakes Assisted Living	0	0	60	60	0	0	0	0	60	0	60
Moore	Southern Pines Manor (bed transfer to The Coventry)	0	0	10	10	0	0	0	-10	0	0	0
Moore	Tara Plantation of Carthage	0	0	80	80	0	0	0	0	80	0	80
Moore	The Coventry - St. Joseph of the Pines (bed transfer from Southern Pines Manor)	0	0	50	50	0	0	0	10	60	5	55
Moore-Totals		59	0	565	624	0	0	0	0	624	5	619
Nash	Autumn Care of Nash	20	0	0	20	0	0	0	0	20	0	20
Nash	Breckenridge Retirement Center	0	0	64	64	0	0	0	0	64	0	64
Nash	Hunter Hill Assisted Living	0	0	64	64	0	0	0	0	64	0	64
Nash	Hunter Hills Nursing and Rehabilitation Center	9	0	0	9	0	0	0	0	9	0	9
Nash	Somerset Court of Rocky Mount	0	0	60	60	0	0	0	0	60	0	60
Nash	South Village	15	0	0	15	0	0	0	0	15	0	15
Nash	Spring Arbor of Rocky Mount	0	0	84	84	0	0	0	0	84	0	84
Nash	Sterling House of Rocky Mount	0	0	60	60	0	0	0	0	60	0	60
Nash	Trinity Retirement Villas #1	0	0	12	12	0	0	0	0	12	0	12
Nash	Trinity Retirement Villas #2	0	0	12	12	0	0	0	0	12	0	12
Nash	Universal Health Care/Nashville	122	0	0	122	0	0	0	0	122	0	122
Nash-Totals		166	0	356	522	0	0	0	0	522	0	522
New Hanover	Autumn Care of Myrtle Grove	20	0	0	20	0	0	0	0	20	0	20
New Hanover	Cedar Cove Assisted Living (GlenCare)	0	0	64	64	0	0	0	0	64	0	64
New Hanover	Champions Assisted Living	0	0	148	148	0	0	0	0	148	0	148
New Hanover	Clare Bridge of Wilmington	0	0	38	38	0	0	0	0	38	0	38
New Hanover	Fannie Norwood Memorial Home	0	0	16	16	0	0	0	0	16	0	16
New Hanover	Hermitage House Rest Home	0	0	84	84	0	0	0	0	84	0	84
New Hanover	Liberty Commons Rehabilitation Center	40	0	0	40	0	0	0	0	40	0	40
New Hanover	New Hanover House	0	0	61	61	0	0	0	0	61	0	61
New Hanover	Pacific Senior Living - Wilmington	0	0	101	101	0	0	0	0	101	0	101
New Hanover	Port South Village/Carmen D. Villa	0	0	12	12	0	0	0	0	12	0	12
New Hanover	Port South Village/Catherine S. Villa	0	0	12	12	0	0	0	0	12	0	12
New Hanover	Port South Village/Crystal L. Villa	0	0	12	12	0	0	0	0	12	0	12
New Hanover	Port South Village/Lorraine B. Villa	0	0	12	12	0	0	0	0	12	0	12
New Hanover	Port South Village/Tara L. Villa	0	0	12	12	0	0	0	0	12	0	12
New Hanover	Port South Village/Teresa C. Villa	0	0	12	12	0	0	0	0	12	0	12
New Hanover	Sherwood Manor Rest Home	0	0	40	40	0	0	0	0	40	0	40
New Hanover	Spring Arbor of Wilmington	0	0	66	66	0	0	0	0	66	0	66
New Hanover	The Commons at Brightmore	0	0	201	201	0	0	0	0	201	0	201
New Hanover	The Commons at Brightmore	0	0	136	136	0	0	0	0	136	0	136
New Hanover	Wilmington Health and Rehabilitation Center	16	0	0	16	0	0	0	0	16	0	16
New Hanover	New Hanover	76	0	1027	1103	0	0	0	0	1103	0	1103
Northampton	Hampton Manor	0	0	82	82	0	0	0	0	82	0	82
Northampton	Highland Gardens of Pleasant Hill	0	0	66	66	0	0	0	0	66	0	66
Northampton	Pine Forest Rest Home	0	0	24	24	0	0	0	0	24	0	24
Northampton	Rich Square Manor	0	0	32	32	0	0	0	0	32	0	32
Northampton	Rich Square Villa	0	0	38	38	0	0	0	0	38	0	38
Northampton	Northampton	0	0	242	242	0	0	0	0	242	0	242
Onslow	Carebridge Assisted Living Community	0	0	160	160	0	0	0	0	160	0	160
Onslow	Liberty Commons Assisted Living	0	0	79	79	0	0	0	0	79	0	79
Onslow	Lighthouse Village	0	0	80	80	0	0	0	0	80	0	80
Onslow	Pinewood Harbor	0	0	40	40	0	0	0	0	40	0	40
Onslow	Premier Nursing and Rehabilitation Center	7	0	0	7	0	0	0	0	7	0	7
Onslow	The Arc Community	0	0	32	32	0	0	0	0	32	0	32
Onslow	The Heritage of Richlands	0	0	40	40	0	0	0	0	40	0	40