



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

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3 July 2013

Charles E. Trefzger, Jr
Post Office Box 2568
Hickory, North Carolina 28603-2568

Exempt from Review – Acquisition of Facility

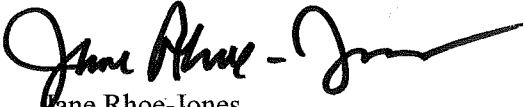
Facility: Carebridge Assisted Living Community (Adult Care Home)
Acquisition by: WP-New Bern Health Investors, LLC
County: Craven
FID #: 970158

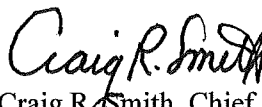
Dear Mr. Trefzger:

In response to your letter of June 24, 2013, the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(a)(8). Therefore, WP-New Bern Health Investors, 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 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,


Jane Rhoe-Jones
Project Analyst


Craig R. Smith, Chief
Certificate of Need Section

cc: Adult Care Licensure Section, DHSR



Certificate of Need Section

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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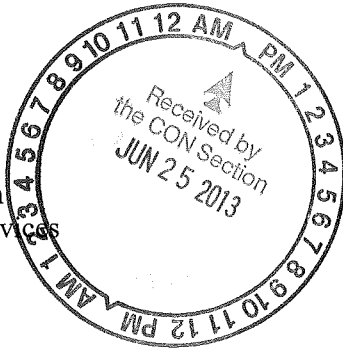
WP-New Bern Health Holdings, LLC

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

Law

June 24, 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 Carebridge Assisted Living Community (Adult Care Home in Craven County)

Dear Mr. Smith:

WP-New Bern Health Investors, LLC ("WP-New Bern") is planning to acquire an adult care home in Craven County, currently known as Carebridge Assisted Living Community (hereafter "the Facility"). The Facility is located at 2915 Brunswick Avenue in New Bern, North Carolina. The Facility is listed in the "Inventory of Adult Care Home Beds" in the 2013 State Medical Facilities Plan as having 108 adult care home beds (see Exhibit A).

WP-New Bern 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"). WP-New Bern 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 108 adult care beds.

I. THE PROPOSAL

As of this date, North Fork New Bern, 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 Carebridge Management New Bern, LLC is the Licensee. WP-New Bern will purchase the Facility, and the Licensee will be WP-New Bern Health Holdings, LLC. The Facility will be known as New Bern House.

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

Mr. Craig Smith, Chief
Certificate of Need Section
June 24, 2013
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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 new Licensee, WP-New Bern Health Holdings, LLC, will operate the Facility as an adult care home. Furthermore, WP-New Bern'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 WP-New Bern 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

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				Available in SMFP	Total Available	Sum of Exclusions	Total Planning Inventory
						CON	ACH Exempt	ACH Pipeline	CON Bed Transfer				
Catawba	Heritage Care of Conover	0	0	60	60	0	0	0	0	0	60	0	60
Catawba	Hickory Manor	0	0	88	88	0	0	0	0	0	88	0	88
Catawba	Hickory Village	0	0	56	56	0	0	0	0	0	56	0	56
Catawba	Lutheran Home/Hickory	90	0	0	90	0	0	0	0	0	90	0	90
Catawba	Piedmont Village at Newton	0	0	40	40	0	0	0	0	0	40	0	40
Catawba	Springs of Catawba	0	0	66	66	0	0	0	0	0	66	0	66
Catawba	Sterling House of Hickory	0	0	60	60	0	0	0	0	0	60	0	60
Catawba	The Alberta House	0	0	20	20	0	0	0	0	0	20	0	20
	Catawba Totals	128	0	595	723	0	0	0	0	0	723	0	723
Chatham	Cambridge Hills of Pittsboro	0	0	90	90	0	0	0	0	0	90	0	90
Chatham	Careview Rest Home	0	0	20	20	0	0	0	0	0	20	0	20
Chatham	Carolina Meadows - Fairways	0	0	95	95	0	0	0	0	0	95	38	58
Chatham	Coventry House of Siler City	0	0	52	52	20	0	0	0	0	72	0	72
Chatham	Hill Forest Rest Home	0	0	40	40	20	0	0	0	0	60	0	60
Chatham	Pittsboro Christian Village	0	0	40	40	0	0	0	0	0	40	0	40
Chatham	The Arbor - (bed counts per CON project conditions)	24	0	0	24	28	0	0	0	0	52	26	27
	Chatham Totals	24	0	337	361	68	0	0	0	0	429	63	366
Cherokee	Carolina Care Home #1	0	0	12	12	0	0	0	0	0	12	0	12
Cherokee	Carolina Care Home #2	0	0	12	12	0	0	0	0	0	12	0	12
Cherokee	Cherokee Valley/Peachtree Manor	0	0	0	0	80	0	0	0	0	80	0	80
Cherokee	Murphy House	0	0	0	0	70	0	0	0	0	70	0	70
	Cherokee Totals	0	0	24	24	150	0	0	0	0	174	0	174
Chowan	Edenton House	0	0	60	60	0	0	0	0	0	60	0	60
Chowan	Edenton Prime Time Retirement Village	0	0	60	60	0	0	0	0	0	60	0	60
	Chowan Totals	0	0	120	120	0	0	0	0	0	120	0	120
Clay	Clay County Care Center	10	0	0	10	0	0	0	0	0	10	0	10
Clay	Hayesville House	0	0	60	60	0	0	0	0	0	60	0	60
	Clay Totals	10	0	60	70	0	0	0	0	0	70	0	70
Cleveland	Carlton Assisted Living of Shelby	0	0	96	96	0	0	0	0	0	96	0	96
Cleveland	Golden Years Rest Home	0	0	12	12	0	0	0	0	0	12	0	12
Cleveland	Kings Mountain Care Center	0	0	20	20	0	0	0	0	0	20	0	20
Cleveland	Operview Retirement Home	0	0	24	24	0	0	0	0	0	24	0	24
Cleveland	Shelby House	0	0	72	72	0	0	0	0	0	72	0	72
Cleveland	Shelby Manor	0	0	74	74	0	0	0	0	0	74	0	74
Cleveland	Sterling House of Shelby	0	0	60	60	0	0	0	0	0	60	0	60
Cleveland	Summit Place of Kings Mountain	0	0	65	65	0	0	0	0	0	65	0	65
	Cleveland Totals	0	0	423	423	0	0	0	0	0	423	0	423
Columbus	Lake Pointe Assisted Living	0	0	80	80	0	0	0	0	0	80	0	80
Columbus	Liberty Commons Nursing & Rehab Center	40	0	0	40	0	0	0	10	0	50	0	50
Columbus	Premier Living and Rehab Center	15	0	0	15	0	0	0	0	0	15	0	15
Columbus	Shoreland Health Care & Retirement Center	10	0	0	10	0	0	0	-10	0	0	0	0
Columbus	Waterbrooke Assisted Living	0	0	80	80	0	0	0	0	0	80	0	80
	Columbus Totals	65	0	160	225	0	0	0	0	0	225	0	225
Craven	Bayview Nursing and Rehabilitation	20	0	0	20	0	0	0	0	0	20	0	20
Craven	Carebridge Assisted Living Community	0	0	108	108	0	0	0	0	0	108	0	108
Craven	Groatan Village	0	0	72	72	0	0	0	0	0	72	0	72
Craven	Good Shepherd Home for the Aged	0	0	54	54	0	0	0	0	0	54	0	54
Craven	Homeplace of New Bern	0	0	60	60	0	0	0	0	0	60	0	60
Craven	Riverpoint Crest Nursing and Rehabilitation Center	18	0	0	18	0	0	0	0	0	18	0	18
Craven	Riverstone	0	0	64	64	0	0	0	0	0	64	0	64
Craven	Sterling House of New Bern	0	0	60	60	0	0	0	0	0	60	0	60
Craven	The Courtyards at Bern Village	0	0	55	55	0	0	0	0	0	55	0	55

Carebridge Assisted Living Community	970158	ACH	Active	Charles McDaniels Adult Care Home,McDaniels Adult Care Home	2915 Brunswick Avenue	New Bern	Craven
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→ Carebridge Assisted Living Community	970158	ACH	Active	Charles McDaniels Adult Care Home,McDaniels Adult Care Home	2915 Brunswick Avenue	New Bern	Craven
→ Charles McDaniels Adult Care Home	920193	ACH	Active	Carebridge Assisted Living Community,Charles McDaniel Rest Home	2915 Brunswick Avenue	New Bern	Craven

970158