

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

October 31, 2013

Kenneth L. Burgess
301 Fayetteville Street
Suite 1900
Raleigh, NC 27601

No Review

Facility or Business: Greystone Hospice of North Carolina, LLC
Project Description: Acquisition of Community Home Care of Robeson County, LLC which owns five North Carolina hospice offices
County: Pitt: FID #100076 / Lic # HOS4010
Durham: FID #100144/ Lic #HOS4029
Harnett: FID #100159/ Lic #HC4032
Columbus: FID #100143/ Lic #HC4028
Sampson: FID# 100142/ Lic #HC4030

FID #:

Dear Mr. Burgess:

The Certificate of Need Section (CON Section) received your letter of October 24, 2013 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

Moreover, you need to contact the Construction and the Acute and Home Care Licensure and Certification Sections of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited



Certificate of Need Section
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to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,



Gregory F. Yakaboski, Project Analyst



Craig R. Smith, Chief
Certificate of Need Section

cc: Medical Facilities Planning Section, DHSR
Construction Section, DHSR (Not Hospice Home Care/ Home Health)
Acute and Home Care Licensure and Certification Section, DHSR

Craig

Poyner Spruill^{LLP}

October 24, 2013

Kenneth L. Burgess
Partner
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kburgess@poynerspruill.com

VIA EMAIL AND U.S. MAIL

Craig R. Smith, Chief
Certificate of Need Section
N.C. Department of Health and Human Services
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Request for "No Review" Determination / Notice of Exempt Acquisition Pursuant to N.C. Gen. Stat. § 131E-184(a)(8)

Dear Craig:

I am writing on behalf of our client, Greystone Hospice of North Carolina LLC ("Greystone"), 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 Greystone's intent to acquire from Curo Community Hospice, LLC all outstanding membership interests of Community Home Care of Robeson County, LLC which is currently the owner and licensee of five North Carolina hospice offices. Those offices include:

1. License number HOS4010; Facility I.D. number 100076 (Greenville, N.C.); *Pitt*
2. License number HOS4029; Facility I.D. number 100144 (Durham, N.C.); *Durham*
3. License number HC4032; Facility I.D. number 100159 (Lillington, N.C.); *Harnett*
4. License number HC4028; Facility I.D. number 100143 (Whiteville, N.C.); and *Columbus*
5. License number HC4030; Facility I.D. number 100142 (Clinton, N.C.).¹ *Sampson*

Following the closing of this transaction, Community Home Care of Robeson County, LLC will remain the direct owner and licensee of these five hospice offices. However, Community Home Care of Robeson County, LLC will then be owned by Greystone. Because this transaction involves the acquisition by Greystone of the limited liability company owning these five hospice agencies, as opposed to a direct acquisition of the agencies themselves, it is our opinion that this transaction is not subject to review by the Agency.

In the alternative, it is our opinion that this acquisition would be exempt from Certificate of Need ("CON") review pursuant to N.C. Gen. Stat. § 131E-184(a)(8). The transaction will not involve the development of

¹ Please note that the Lillington, Clinton and Whiteville agencies are also licensed to provide home care services.

Craig R. Smith, Chief
October 24, 2013
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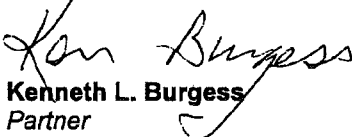
any new health service facility or otherwise qualify as a "new institutional health service" which would be subject to Agency review under applicable CON statutes or regulations.

Further, as you know, N.C. Gen. Stat. § 131E-184(a)(8) provides that the acquisition of an existing health service facility is exempt from CON review, upon prior written notice to the Agency. The CON Statute at N.C. Gen. Stat. § 131E-176(9b) defines "health service facility" to include a "hospice office." Thus, to the extent the transaction I have described herein does not qualify for a "no review" determination by the Agency, it is our opinion that it is exempt from review pursuant to N.C. Gen. Stat. § 131E-184(a)(8) and this correspondence is intended to serve as the notice to the Agency required by that statutory provision.

Please provide me with written confirmation that this transaction either qualifies for a "no review" determination by the Agency or is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(8). The transaction I have described herein is scheduled to close on November 29, 2013. As such, we would appreciate your attention to this matter at your earliest convenience.

Please let me know if there are any questions regarding this notice or if the Agency needs further information.

Sincerely,


Kenneth L. Burgess
Partner

Cc: Jaimee Oberfest, Esq.