



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

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February 4, 2014

Bode Hemphill, LLP
3105 Glenwood Avenue, Suite 300
Raleigh, North Carolina 27612

Exempt from Review – Acquisition of Facility

Facility: Hospice of Wilkes Regional Medical Center
Acquisition by: North Carolina Baptist Hospital
County: Wilkes
FID #: 953893

Dear Mr. Fisher:

In response to your letter of January 24, 2014, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, North Carolina Baptist Hospital may proceed to acquire by lease the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Acute and Home Care 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 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,

Kim Randolph
Project Analyst

Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Medical Facilities Planning Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR



Certificate of Need Section

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24 January 2014



Martha J. Frisone

Chief

Julie F. Halatek

Project Analyst

NORTH CAROLINA DEPARTMENT OF HEALTH AND
HUMAN SERVICES, DIVISION OF HEALTH
SERVICE REGULATION, CERTIFICATE OF NEED
SECTION

809 Ruggles Drive
Raleigh, NC 27603

Re: Hospice of Wilkes Regional Medical Center • Acquisition by North Carolina
Baptist Hospital, Winston-Salem, Forsyth County, North Carolina
Hospice Provider No: 341506
Facility ID No.: 953893
BH File: 4117.000

Dear Ms. Frisone and Ms. Halatek:

This letter is submitted on behalf of our client, North Carolina Baptist Hospital (hereinafter "NCBH"). NCBH intends to acquire by lease from WRMC Hospital Operating Corporation, Inc. d/b/a Wilkes Regional Medical Center (hereinafter "WRMC"), the hospice facility, as that term is defined in N.C. Gen. Stat. § 131E-176(13a), owned by WRMC (hereinafter, the "Facility"). Under the lease, NCBH will obtain control over the Facility and will have the authority to operate and direct all activities within the Facility, subject to the terms of the lease. The parties intend for the lease to take effect on 1 February 2014.

The Facility is located at 1907 West Park Drive North Wilkesboro, Wilkes County, North Carolina, and currently is one of two (2) CON-approved or grandfathered licensed hospice providers located in Wilkes County, North Carolina, as identified in the 2014 SMFP.¹

By this letter, we are providing notice to the CON Section, pursuant to N.C. Gen. Stat. § 131E-184(a) of this transaction. Because this project involves the acquisition of a leasehold interest in an existing health service, we believe the acquisition of the Facility is exempt from

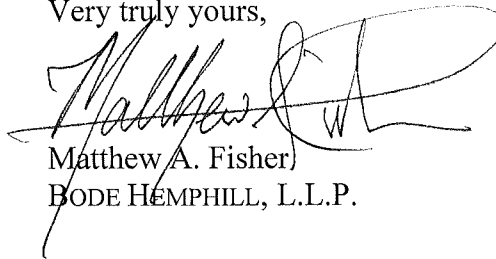
¹ While the 2014 SMFP denotes two (2) CON-approved or grandfathered licensed hospice providers located within Wilkes County (Hospice of Wilkes Regional Medical Center and United Hospice), the Licensure and Certification Section also identifies Continuum Home Care and Hospice of Wilkes County as being licensed to provide hospice services.

CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(8). We would appreciate your office reviewing this information and advising us that our analysis is correct and that this acquisition is not subject to CON review.

Thank you very much for your attention to this matter. In the meantime, should you have any questions or concerns, do not hesitate to contact us at any time.

With warm regards, I remain

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew A. Fisher". The signature is stylized and cursive, with a large initial "M" and "F".

Matthew A. Fisher
BODE HEMPHILL, L.L.P.

MAF:mf

cc: J. McLain Wallace, Jr. (via US Mail • Electronic Mail)