



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

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

Drexdal Pratt
Division Director

January 14, 2014

Maureen Demarest Murray
300 North Greene Street, Suite 1400
Greensboro, NC 27401

Exempt from Review – Acquisition of Facility

Facility: Carolina Digestive Care, PLLC
Acquisition by: Blue Ridge HealthCare System, Inc.
County: Burke
FID #: 080174

Dear Ms. Murray:

In response to your letter of December 30, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, Blue Ridge HealthCare System, Inc. may proceed to acquire 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 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,

Julie Halatek
Project Analyst

Martha J. Frisone, Interim Chief
Certificate of Need Section

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

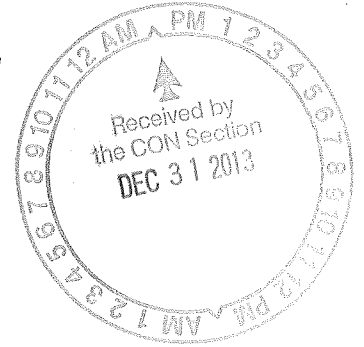
Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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December 30, 2013

Craig R. Smith, Chief
Julie Halatek, Analyst
Certificate of Need Section
Division of Health Service Regulation
NC Department of Health and Human Services
2704 Mail Service Center
Raleigh, North Carolina 27699-2704

Via E-Mail and U.S. Mail

Re: Notice of Exemption: Acquisition of Carolina Digestive Care, PLLC by Blue Ridge HealthCare System, Inc.

Dear Craig and Julie:

On behalf of our client, Blue Ridge HealthCare System, Inc. ("Blue Ridge"), we are providing prior written notice of Blue Ridge's intention to acquire Carolina Digestive Care, PLLC ("CDC"), an existing, licensed ambulatory surgical facility. As you know, N.C. Gen. Stat. § 131E-184(a)(8) provides that the Certificate of Need Section shall, upon receipt of prior written notice, exempt from review the acquisition of "an existing health service facility, including equipment owned by the health service facility at the time of acquisition." "Health service facility" is defined to include ambulatory surgical facilities. See N.C. Gen. Stat. § 131E-176(9b).

CDC obtained a Certificate of Need on October 13, 2009, to establish a licensed, two-room ambulatory surgery facility for gastrointestinal endoscopy procedures. CDC was subsequently licensed by the State and assigned Facility ID Number 080174 and License Number AS0145. CDC is located at 107B Mica Avenue in Morganton, Burke County, North Carolina.

Under the terms of the proposed agreement, Blue Ridge will acquire substantially all the assets currently owned by CDC. Tangible and intangible assets encompassed by the anticipated asset purchase agreement include but are not limited to the following: all equipment, fixtures, furniture, office equipment, computer hardware, supplies, and other items of tangible and intangible personal property; government and other approvals; patient records; business, employee and financial records; supplier lists and equipment repair, maintenance, service, personnel, payroll, employee benefit, quality control, and insurance records; contract rights; good will; certain intellectual property; and sales, advertising promotional, and marketing information and materials. Upon acquisition of CDC's assets, Blue Ridge will sublet CDC's

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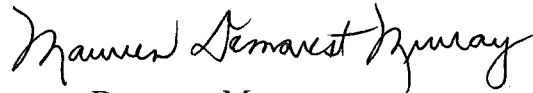
Craig R. Smith, Chief
Julie Halatek, Analyst
December 30, 2013
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current location at 107B Mica Avenue. Blue Ridge will continue to operate CDC as an ambulatory surgery center following the acquisition.

Because the parties hope to close the acquisition by January 2, 2014, Blue Ridge would appreciate receiving as soon as possible your written confirmation that its anticipated acquisition of the assets and operations of CDC is exempt under the CON Act. Please let us know if you have any questions or need any other information. We appreciate your consideration and prompt attention.

Sincerely,

SMITH MOORE LEATHERWOOD LLP



Maureen Demarest Murray

cc: Thomas L. Eure, Esq.