



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

July 18, 2014

The Adolphus Group, LLC
137 Stratford Place
Dobson, NC 27017

No Review

Facility or Business: David's House
Project Description: Acquisition by lease of the 65 bed adult care home facility by The Adolphus Group, LLC
County: Surry
FID #: 940828

Dear Ms. Miller:

The Certificate of Need Section (CON Section) received your letter of June 25, 2014 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 Adult Care Licensure Section 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 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.



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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Patti Miller
July 18, 2014
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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,


Kim Randolph, Project Analyst



Martha J. Frisone, Interim Chief
Certificate of Need Section

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

The Adolphus Group, LLC.
137 Stratford Place
Dobson, NC 27017

June 25, 2014



Kim Randolph, JD
Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health and Human Services
809 Ruggles Drive
Raleigh, NC 27603

RE: Notice of Exempt Acquisition by Lease of North Carolina Skilled Nursing Facility Pursuant to N.C. Gen. Stat. 131E-184(a)(1) and (8)

Dear Ms. Randolph:

Pursuant to N.C. Gen. Stat. 131E-184(a)(1) and (8) to provide notice to the N.C. Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section, I am writing regarding The Adolphus Group, LLC intent to lease a facility in Dobson, North Carolina. The facility is currently leased by RenCare Solutions, Inc. 752 Beech Street, Yadkinville, NC 27055. RenCare Solutions, Inc. is terminating its lease on September 30, 2014. The facility is licensed for 65 adult care home beds. Pursuant to N.C. Gen. Stat. 131E-176(9b), the facility is a "health service facility".

The Adolphus Group, LLC intends to lease the Facility from Dobson Properties, LLC with an anticipated effective date of October 1, 2014. The ownership of the building will not change from Dobson Properties, LLC. The name of the Facility will change from David's House Assisted Living to Riverwood Assisted Living. RenCare Solutions, Inc., The Adolphus Group, LLC, and Dobson Properties, LLC are all separate legal entities.

N.C. Gen. Stat. 131E-184(a)(1) and (8) provide that the acquisition of an existing health service facility, including equipment owned by the health service facility at the time of acquisition, is exempt from CON review upon prior written notice to the Agency of the proposed acquisition.

The acquisition of the Facility via the lease arrangement I have described will not involve the development of any new health service facility or otherwise qualify as a "new institutional health service" which would be subject to Agency review under applicable Certificate of Need statutes or regulations. Rather, the transaction I have described qualifies as an "exempt transaction, within the meaning of N.C. Gen. Stat. 131E-184(a)(8). This correspondence is intended to serve as the prior written notice to the Agency required by N.C. Gen. Stat. 131E-184(a)(1) and (8).

Please provide me with written confirmation that this transaction is exempt from CON review pursuant to N.C. Gen. Stat. 131E-184(a)(1) and (8). Any assistance in expediting this reply would be greatly appreciated as we will need to apply for a new license for the Facility and we will be including the Agency's response to the correspondence as part of that application.

I appreciate your attention to this matter. Please let me know if there are any questions regarding this notice, or if the Agency needs further information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Patti Miller".

Patti Miller
Representative
The Adolphus Group, LLC
riverwood@triad.rr.com
(336) 466-0011