



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Drexdal Pratt
Division Director

December 8, 2015

James V. Chinn
Post Office Box 1928
Lexington, SC 29071

Exempt from Review – Acquisition of Facility


Record #: 1807
Facility Name: Albemarle Hospice
Type of Facility: Hospice
FID #: 980718
Acquisition by: MSA Home Health and Hospice of NC, Inc.
Business #: 2313
County: Pasquotank


Dear Mr. Chinn

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of November 30, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, MSA Home Health and Hospice of NC, Inc. may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Agency's & (Section Name) Section 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


Martha J. Frisone
Assistant Chief, Certificate of Need

cc: Acute and Home Care Licensure and Certification Section, DHSR
Kelli Fisk, Program Assistant, Healthcare Planning



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-715-4413

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

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

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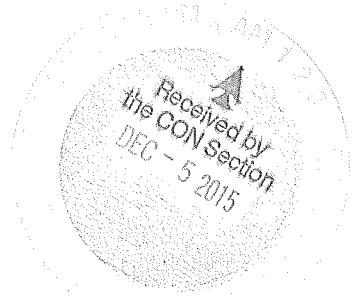
**Corporate
Headquarters**

P.O. Box 1928 (29071-1928) • 171-A Monroe Lane (29072-3904) • Lexington, SC
Phone (803) 957-0500 Toll-Free (800) 845-5850 Fax (888) 342-6190

***** MEDICAL SERVICES OF AMERICA, INC.

November 30, 2015

Ms. Martha Frisone
Chief, Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health & Human Services
2704 Mail Service Center
Raleigh, North Carolina 27699-2704



**RE: ALBEMARLE HOSPICE - EXEMPTION NOTICE
HOSPICE AGENCY: LICENSE NO. HOS1677**

Dear Ms. Frisone:

The purpose of this letter is to provide notice to the North Carolina Department of Health and Human Services, Division of Health Service Regulation (“DHSR”), Certificate of Need Section (the “CON Section”) that **MSA Home Health and Hospice of NC, Inc.**, a North Carolina corporation (“MSA-NC”) will be purchasing substantially all of the assets of **Albemarle Regional Health Services**, a North Carolina district public health department and public authority (“ARHS”) owned and used in connection with the operation of Albemarle Hospice, a licensed and certified hospice agency (License No. HOS1677) (“Hospice Agency”), which this transaction is exempt from certificate of need (“CON”) review under N.C. Gen. Stat. § 131E-184(a)(8).

I. THE PROPOSAL

Effective on or about December 1, 2015, MSA-NC will be acquiring substantially all of the Hospice Assets of ARHS with respect to the Hospice Agency. MSA-NC is a wholly owned subsidiary of Medical Services of America, Inc., a Virginia corporation (“MSA”) based out of Lexington, South Carolina. The real property associated with the Hospice Agency is currently owned by ARHS and will be leased to MSA-NC effective as of the closing of the transaction pursuant to a separate lease agreement. MSA-NC also will be submitting a change of ownership application to DHSR to effectuate the transfer of the Hospice Agency license.

II. EXEMPTION NOTICE

Under North Carolina law, a CON is required prior to offering or developing a “new institutional health service.” A “new institutional health service” includes a variety of equipment, services and activities, including the establishment of a hospital or a hospice agency office. However, the North Carolina General Assembly has exempted certain types of proposals from

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CON review under N.C. Gen. Stat. § 131E-184, including the acquisition of an existing health service facility.¹

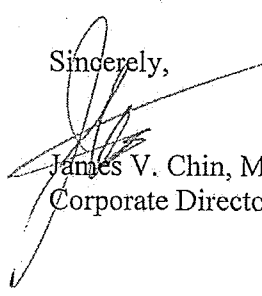
In this transaction, MSA-NC will be acquiring an existing "health service facility," and after the transaction, MSA-NC will continue to operate this health service facility as a hospice agency at its current location. Furthermore, the proposed transaction does not entail the acquisition of any major medical equipment or any per se reviewable equipment as defined in N.C. Gen. Stat. §§ 131E-176(14)(o) and (16)(f1). Likewise, the transaction does not include the offering of any per se reviewable services except those already offered by the existing health service facility.² Thus, given that the transaction involves only the sale of an existing health service facility, it is exempt from CON review.

III. CONCLUSION

Based on the foregoing information, we hereby request the Agency's confirmation that the transaction described in Section II above is exempt from CON review, under N.C. Gen. Stat. §131E-184(a)(8).

If you require additional information, please contact us at the above number (X6716). Thank you in advance for your review of this notice.

Sincerely,



James V. Chin, MHA
Corporate Director

¹ See N.C. Gen. Stat. § 131E-184(a)(8).

² See *id* § 131E-176(16)(f).

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 01, 2015, this license is issued to
Albemarle Regional Health Services

to operate a hospice known as
Albemarle Hospice

located at 311 Cedar Street
City of Elizabeth City, North Carolina, Pasquotank County.

This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire
Midnight, December 31, 2015.

Facility ID: 980718

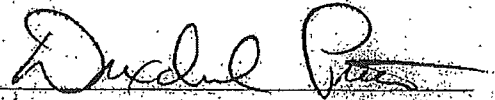
License Number: HOS1677

Hospice Services

Authorized by:



Secretary, N.C. Department of Health and
Human Services



Director, Division of Health Service Regulation