



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

Pat McCrory
Governor

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Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

February 23, 2015

Ronnie Sloan, President
Outer Banks Hospital
4800 South Croatan Highway
Nags Head, North Carolina 27959

Exempt from Review – Acquisition of Facility

Facility: Dare County Dialysis Center
Type of Facility: Kidney Disease Treatment Center
Acquisition by: Outer Banks Hospital
County: Dare
FID #: 970980

Dear Mr. Sloan:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of February 3, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, the Outer Banks Hospital 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, Division of Health Service Regulation (DHSR) 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,

Bernetta Thorne-Williams
Project Analyst

Martha J. Frisone,
Assistant Chief, Certificate of Need

cc: Acute and Home Care Licensure and Certification Section, DHSR
Assistant Chief, Healthcare Planning



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

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

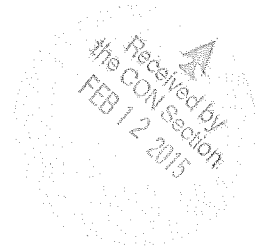
Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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THE
OUTER BANKS
HOSPITAL



February 3, 2015

Ms. Jane Rhoe-Jones, Project Analyst
Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

115 Exeter St.
Manteo

Re: Notice of Transfer of Ownership of Dialysis Station / Request for "No Review" Letter

FID #
970980

Dear Ms. Rhoe-Jones,

This letter shall serve as notice that Pitt County Memorial Hospital, Inc. d/b/a/ Vidant Medical Center (VMC) intends to transfer ownership of the 9-station Dare County Dialysis Center, which is a "kidney disease treatment center" under Section 131E-176(9b) of the CON statute, to The Outer Banks Hospital (OBH), also located in Dare County. The Outer Banks Hospital is jointly owned by Vidant Health and Chesapeake Health.

Currently, VMC owns the dialysis facility and intends to transfer ownership of the Dare County Dialysis Center to OBH which can more efficiently and effectively manage the facility and its patients locally. OBH believes the transaction is not considered a new institutional health service and not subject to Certificate of Need (CON) review. Specifically, § 131E-184 states:

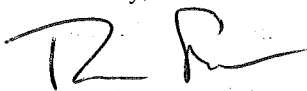
"(a) Except as provided in subsection (b), the Department shall exempt from certificate of need review a new institutional health service if it receives prior written notice from the entity proposing the new institutional health service, which notice includes an explanation of why the new institutional health services required, for any of the following:

(8) To acquire an existing health service facility, including equipment owned by the health service facility at the time of acquisition."

OBH is requesting that the CON Section issue a letter determining its acquisition of Dare County Dialysis Center is not a new institutional health service and is therefore exempt from CON review.

If you have any questions or concerns, please feel free to contact me at (252) 449-4511.

Sincerely,



Ronnie Sloan
President
The Outer Banks Hospital, Inc.

cc: Jeff Shovelin