



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

Pat McCrory
Governor

Aldona Z. Wos, M.D.
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Secretary DHHS

Drexdal Pratt
Division Director

July 9, 2015

William R. Shenton, Partner
Poyner Spruill, LLP
301 Fayetteville Street, Suite 1900
Raleigh NC 27601

No Review

Record #: 1636
Facility Name: Essex Manor Assisted Living
FID #: 920651
Business Name: Bridgeview Capital Solutions, LLC
Business #: 2218
Project Description: Acquisition by affiliate, 844 NC 39 Highway South/Louisburg LLC
County: Franklin

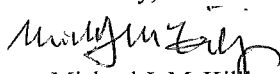
Dear Mr. Shenton:


The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of June 30, 2015 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 Agency's Adult Care Licensure Section 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 in your correspondence. 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 this office. 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. Please contact this office if you have any questions.

Sincerely,


Michael J. McKillip
Project Analyst


Martha J. Frisone
Assistant Chief, Certificate of Need

cc: Adult Care Licensure Section, DHSR
Assistant Chief, 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

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FUJ 420651

BUC 2218

REC 1636

Poyner Spruill^{LLP}



June 30, 2015

William R. Shenton
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Via Hand Delivery

Mr. Michael J. McKillip
Project Analyst
Certificate of Need Section
809 Ruggles Drive
Raleigh, NC 27603

**RE: Essex Manor Assisted Living Facility
Prior Notice Under N.S. Gen. Stat. § 131E-184(a)(8)**

Dear Mr. McKillip:

I am writing on behalf of Bridgeview Capital Solutions, LLC ("Bridgeview") in regard to the Essex Manor Assisted Living Facility in Franklin County, following up on prior letters of June 19 and June 25. Bridgeview is the owner of the building in which Essex Manor is operated ("the Premises"). As I indicated in my letter of June 25, following the filing of a contested case appeal against the Adult Care Licensure Section by the current operator of Essex Manor, a temporary restraining order was entered and a hearing has been scheduled for /today in regard to the current operator's request for a preliminary injunction.

As the owner of the building in which the Essex Manor facility is operated, Bridgeview has a vital interest in this matter. After further consideration, Bridgeview has determined that it will proceed with having an affiliate, 844 NC 39 Highway South/Louisburg LLC, file an application for a an adult care home license for the Premises. The issuance of a license for the Premises to the Bridgeview affiliate would effectively constitute the acquisition of that facility, and accordingly, I am writing this letter to provide notice of an acquisition to obtain the statutory exemption under N.C. Gen. Stat. § 131E-184(a)(8). For all the reasons set forth in the first letter on June 19 (copy attached) the licensure of the Premises to Bridgeview's affiliate, 844 NC 39 Highway South/Louisburg LLC, should be exempt from CON review under the statute as an acquisition of an existing facility.

Very truly yours,

A handwritten signature in cursive script that reads 'William R. Shenton'.

William R. Shenton
Partner

cc: Meghan Lamphere, Chief, Adult Care Licensure Section (via e-mail only)
Adrian Dellinger, NC Department of Justice (via e-mail only)

Received by
the CON Section
JUN 13 2015

Poyners Spruill^{LLP}

June 19, 2015

William R. Shenton
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Via Hand Delivery

Shelley Carraway
Chief
CON Section
809 Ruggles Drive
Raleigh, NC 27603

Martha Frisone
Assistant Chief
CON Section
809 Ruggles Drive
Raleigh, NC 27603

RE: Exempt from Review Notice

Dear Ms. Carraway and Ms. Frisone:

We represent, Bridgeview Capital Solutions, LLC ("Bridgeview") and I am writing this letter on behalf of Bridgeview and its affiliate, 844 NC 39 Highway South/Louisburg LLC ("the Affiliate"), to inform the Certificate of Need Section that Bridgeview plans to exercise its rights as a landlord to take control of the premises of Essex Manor Assisted Living Facility ("Essex Manor" or the "Facility") and have the Affiliate apply for a license for Essex Manor. For reasons explained in this letter, this transaction is exempt from review under N.C. Gen. Stat. § 131E-184(a)(8).

Essex Manor is an Adult Care Home comprised of 56 beds located at 844 Highway 39 South, in Louisburg, North Carolina in Franklin County. It currently is operating under License Number HAL-035-027, issued to Unity Medical Group, Inc. ("Unity"). Bridgeview is the current owner of the building which houses Essex Manor and it leases the Facility to Unity.

A prior letter described Bridgeview's execution of a short term lease with Unity and the CON Section responded on March 12, confirming that the execution of that short term lease did not represent a change in ownership or acquisition of the Facility. Please see copies of the attached correspondence.

As a result of compliance issues which led to the issuance of a provisional license to Unity that is due to expire at the end of the day on Monday, June 22, Bridgeview has entered discussions with the Adult Care Licensure Section, and contemplates that its Affiliate will apply for a license to operate the Facility, on or before June 22, prior to expiration of the Facility's provisional license. Since issuance of a license to the Affiliate would entail acquisition of the Facility, we are providing this notice under N.C. Gen. Stat. § 131E-184(a)(8), to be assured of the statutory exemption available under that provision.

The CON Law focuses on the development and offering of those "new institutional health services" that would create additional capacity, and which are listed in N.C. Gen. Stat. § 131E-176(16). In keeping with its fundamental goals, the CON Law also expressly recognizes that certain business transactions which do not establish new facilities, or additional units of service, are not subject to certificate of need review. Hence the exemption for acquisition of existing facilities in N.C. Gen. Stat. § 131E-184(a)(8), which provides a statutory exemption from certificate of need review for the acquisition of the Facility by the Affiliate in this transaction, based on the notice that is provided in this letter.

June 19, 2015
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Thank you for your attention to this matter, and please let us know if there is any additional information you may require.

Very truly yours,



William R. Shenton
Partner

cc: Michael J. McKillip, Project Analyst (via hand delivery)
Meghan Lamphere, Chief, Adult Care Licensure Section (via e-mail only)
Adrian Dellinger, NC Department of Justice (via e-mail only)