



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

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Secretary DHHS

Drexal Pratt
Division Director

June 10, 2015

Robert A. Leandro
PO Box 389
Raleigh, NC 27602-0389

Exempt from Review – Acquisition of Facility

Facility: Hominy Valley Retirement Center
Type of Facility: Adult Care Home
Acquisition by: Integrity-Candler 02, LLC
County: Buncombe
FID #: 921323

Dear Mr. Leandro:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter received May 7, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, Integrity-Candler 02, LLC 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 Adult Care Licensure 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,

Julie Halatek
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

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

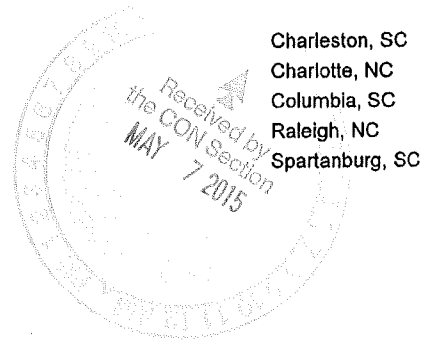
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May 6, 2015

VIA U.S. AND ELECTRONIC MAIL

Ms. Martha Frisone
Assistant Chief
Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704
Martha.Frisone@dhhs.nc.gov

Re: Request for No Review Determination

Dear Ms. Frisone:

This letter is intended to provide notice to the Certificate of Need Section ("CON") that Integrity-Candler 02, LLC is planning to acquire the adult care home licensed as Hominy Valley Retirement Center (HAL-011-329) which is located at 2189 Smokey Park Highway, Candler, NC 28715.

Integrity-Candler 02, LLC intends to acquire this facility through an asset contribution and expects that this transaction will close no sooner than May 29, 2015. Integrity-Candler 02, LLC requests that the CON Section confirm that this application is not subject to CON review under N.C. Gen. Stat. § 131E-1848A and issue a written determination so that the change of ownership may proceed without review.

I greatly appreciate your attention to this matter. Please call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rob Leandro'.

Robert A. Leandro

PPAB 2795713v1

Halatek, Julie F

From: Leandro, Robert A. <robleandro@parkerpoe.com>
Sent: Monday, June 08, 2015 3:24 PM
To: Halatek, Julie F
Cc: Yeager, Donna E.
Subject: CON No Review Letters

Ms. Halatek,

Thank you for the update. To answer your question the real property and facility (dirt, bricks, and mortar as I like to say) associated with the facilities are being acquired by Integrity-Candler 01 and Integrity-Candler 02. The licenses and ability to operate the facility are being acquired by a different operating company. Please let me know if you have any other questions.

Robb

From: Halatek, Julie F [<mailto:julie.halatek@dhhs.nc.gov>]
Sent: Monday, June 08, 2015 9:33 AM
To: Yeager, Donna E.
Cc: Frisone, Martha
Subject: RE: Pending Requests for "No Review" determinations

Ms. Yeager,

I apologize that I missed you last week!

The question referenced in the previous email is whether the facilities are being acquired by Integrity-Candler 01 and 02, LLCs (as in, Integrity-Candler 01, LLC is buying Candler Living Center and the real property associated with Candler Living Center) or whether there will just be a change in the licensees of the facilities (as in, Integrity-Candler 01, LLC will become the new licensee of Candler Living Center). The letters refer to the acquisition of the facilities by asset transfer, but assets can be intangible – the assets being transferred could be the licenses to the facilities. Can you please clarify what type of change of ownership will be taking place – acquisition of the facility and real property, or the change in licensee? Thanks!

Julie Halatek
N.C. Department of Health and Human Services
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