



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

October 27, 2015

James V. Chin, MHA
Post Office Box 1928
Lexington, South Carolina 29071

Exempt from Review – Acquisition of Facility

Record #: See Attachment A
Facility Name: See Attachment A
Type of Facility: Home Health and Hospice
FID #: See Attachment A
Acquisition by: MSA Home Health and Hospice of NC, Inc.
Business #: 2313
County: See Attachment A

Dear Mr. Chin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of October 9, 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 facilities without first obtaining a certificate of need. However, you need to contact the Agency's Acute and Home Care Licensure and Certification Section, to obtain instructions for changing ownership of the existing facilities. 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.

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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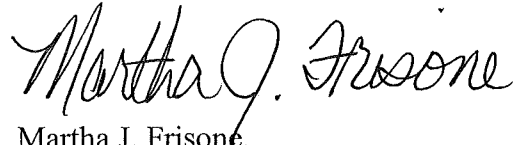


James V. Chin, MHA
October 27, 2015
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Sincerely,



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

ATTACHMENT A

Office	Location	Service Area	FID#	Record #	License #	Proposed
Pasquotank Home Health	311 Cedar Street Elizabeth City, NC	Pasquotank County	943589	1766	HC0471	Parent
Perquimans Home Health	103 ARPDC Street Hertford, NC	Perquimans/Gates Counties	943588	1768	HC0472	Branch 1
Camden Home Health	160 US 158, Bldg B Camden, NC	Camden County	923592	1769	HC0473	Branch 2
Chowan Home Health	202 W. Hicks Street Edenton, NC	Chowan County	923590	1770	HC0474	Branch 3
Currituck Home Health	2793 Caratoke Highway Currituck, NC	Currituck County	923591	1771	HC0475	Branch 4
Bertie County Home Health	102 Rhodes Avenue Windsor, NC	Bertie County	943617	1772	HC0480	Branch 5



MEDICAL SERVICES OF AMERICA, INC.

PROVIDER AND HEADQUARTERS

171 Monroe Lane P.O. Box 1928 Lexington, South Carolina 29071
(803) 957-0500 Fax (888) 342-6190

October 9, 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 Regional Health Services (ARHS)
Home Health Agency: License No. H C 0 4 7 1

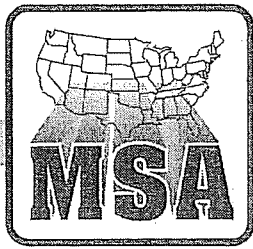
Dear Ms. Frisone:

The purpose of this letter is to request your input regarding the current medicare organization of the above home health agency.

Our company, Medical Services of America, Inc. (MSA), has entered into a Letter of Intent to acquire the home health and hospice assets of ARHS. We anticipate closing on this transaction on or around December 1, 2015. As customary for these type of acquisitions, an exemption notice will follow after this letter.

During the diligence, we discovered that ARHS, while operating as a consolidated home health operation servicing approximately 7 counties for their geographic region with 6 licensed offices, also maintains 6 Medicare provider numbers (see organizational chart attached). Our experience for the geographic area this agency covers would generally require only one parent provider number to be supported by a number of branch offices.

Prior to this letter, I have had some discussions with Ms. Rene Harris (CMS Atlanta), who recommended that I speak with the State, and Ms. Nancy Joyce (NC Licensure), who recommended that I speak to you since there may be CON laws related to CMS provider status. In that conversation, we asked them if it would be possible to reorganize the Medicare structure of this Agency during the CHOW process. We propose to CHOW all the current licenses, but would only CHOW one Medicare number (34-7017 (Elizabeth City location)), and concurrently apply for branch office status for the remaining licenses. By organizing under one provider number, it would improve operational efficiencies for billing and cost reporting



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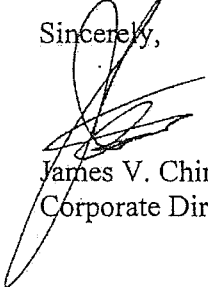
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Albemarle - 2

If it helps, you'll note that in a recent MSA acquisition of High Country Health Systems (HC0477) in 2013, this organization had 3 licenses, with one provider number (34-7020) and the other two licenses (HC0478 & HC0479) were branch offices to that provider number.

Your input into this concept is appreciated, as it will help us draft our exemption letter.

Sincerely,

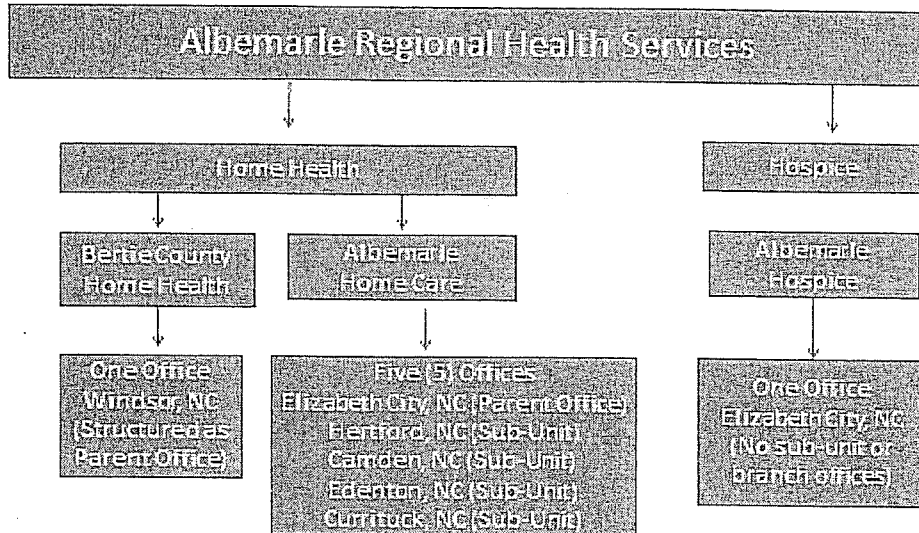


James V. Chin, MHA
Corporate Director

Cc: Jane Rhoe-Jones, NC CON
Nancy Joyce, NC Licensing
Rene Harris, CMS - Atlanta
Erin J. Roberts, Esq.
Timothy Stewart, Esq.

10-9-15

Albemarle Regional Health Services Home Health and Hospice Service Lines



Office	Location	Current Service Area	State License #	Medicare #	Medicaid #	Square Footage	<i>Propose</i>
Pasquotank HH	311 Cedar Street Elizabeth City, NC 27909	Pasquotank County NPI#: 1306920871	HC0471	347017	3407017	3945	Parent Chow-34701
Perquimans HH	103 ARPDC Street Hertford, NC 27944	Perquimans/Gates NPI#: 1639266075	HC0472	347319	3407319	280	Branch 1
Camden HH	160 U.S. 158, Bldg B Camden, NC 27921	Camden NPI#: 1104907021	HC0473	347321	3407321	100	Branch 2
Chowan HH	202 W. Hicks Street Edenton, NC 27932	Chowan NPI#: 1215011788	HC0474	347322	3407322	476	Branch 3
Currituck HH	2793 Caratoke Highway Currituck, NC 27929	Currituck NPI#: 1225119779	HC0475	347320	3407320	406	Branch 4
Bertie County Home Health	102 Rhodes Ave Windsor, NC 27983	Bertie NPI#: 1902980477	HC0480	347050	3407050	100	Branch 5
Albemarle Hospice	311 Cedar Street Elizabeth City, NC 27	Camden, Chowan Currituck, Pasquotank Perquimans, Gates NPI#: 1124102694	HOS1677	341559	3401559	640	N/A Hospice