



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

No Review

Record #: See Attachment A
Facility Name: See Attachment A
FID #: See Attachment A
Business Name: MSA Home Health and Hospice of NC, Inc.
Business #: 2313
Project Description: Operate five home health agency offices as branches of the Elizabeth City Office
County: See Attachment A

Dear Mr. Chin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of October 9, 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.

However, you need to contact the Agency's Acute and Home Care Licensure and Certification 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.

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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Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

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	1773	HC0471	Parent
Perquimans Home Health	103 ARPDC Street Hertford, NC	Perquimans/Gates Counties	943588	1774	HC0472	Branch 1
Camden Home Health	160 US 158, Bldg B Camden, NC	Camden County	923592	1775	HC0473	Branch 2
Chowan Home Health	202 W. Hicks Street Edenton, NC	Chowan County	923590	1778	HC0474	Branch 3
Currituck Home Health	2793 Caratoke Highway Currituck, NC	Currituck County	923591	1776	HC0475	Branch 4
Bertie County Home Health	102 Rhodes Avenue Windsor, NC	Bertie County	943617	1779	HC0480	Branch 5



MEDICAL SERVICES OF AMERICA, INC.

PROVIDING HOME HEALTH SERVICES

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. HC 0471

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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CORPORATE HEADQUARTERS

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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.

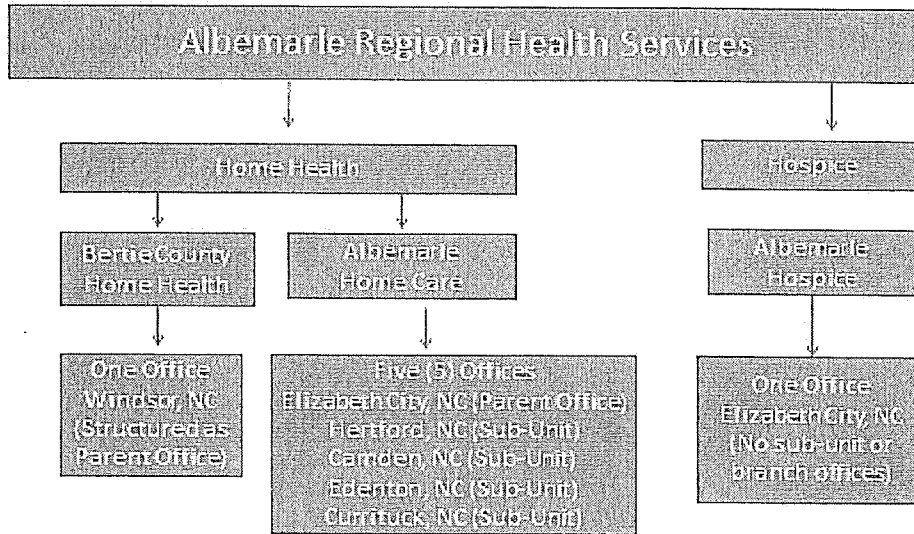
Your input into this concept is appreciated, as it will help us draft our exemption letter.

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.

Albemarle Regional Health Services Home Health and Hospice Service Lines



Office	Location	Current Service Area	State License #	Medicare #	Medicaid #	Square Footage	Propose
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