



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

September 10, 2015

Charles E. Trefzger  
Grantsboro Propco Holdings, LLC  
Post Office Box 2568  
Hickory, North Carolina 28603-2568

**Exempt from Review – Acquisition of Facility**

**Record #:** 1710  
**Facility Name:** The Gardens of Pamlico  
**Type of Facility:** Adult Care Home  
**FID #:** 970010  
**Acquisition by:** Grantsboro Propco Holdings, LLC  
**Business #:** 2275  
**County:** Pamlico

Dear Mr. Trefzger:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of August 25, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, Grantsboro Propco Holdings, 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, 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.

**Healthcare Planning and Certificate of Need Section**

[www.ncdhhs.gov](http://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

An Equal Opportunity/ Affirmative Action Employer

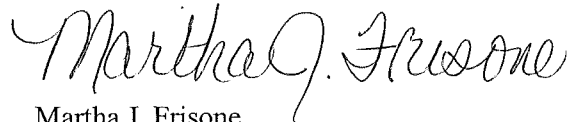


Charles E. Trefzger  
September 10, 2015  
Page 2 of 2

Sincerely,



Jane Rhoe-Jones  
Project Analyst



Martha J. Frisone,  
Assistant Chief, Certificate of Need

cc: Adult Care Licensure Section, DHSR  
Assistant Chief, Healthcare Planning

# Grantsboro Propco Holdings, LLC

Post Office Box 2568  
Hickory, North Carolina 28603-2568

---

August 25, 2015

Mrs. Martha Frisone, Interim Chief  
Certificate of Need Section  
Division of Health Service Regulation  
Department of Health and Human Services  
Dorothea Dix Hospital Campus  
809 Ruggles Drive  
Raleigh, NC 27603



**Re: Exemption Notice for The Gardens of Pamlico (Adult Care Home in Pamlico County)  
Facility License No.: HAL-069-001**

Dear Mr. Smith:

Grantsboro Propco Holdings, LLC ("Grantsboro Propco Holdings") is planning to acquire an adult care home in Pamlico County, currently known as The Gardens of Pamlico (hereafter "the Facility"). The Facility is located at 22 Magnolia Way in Grantsboro, North Carolina. The Facility is listed in the "Inventory of Adult Care Home Beds" in the 2015 State Medical Facilities Plan as having 40 adult care home beds.

Grantsboro Propco Holdings, is seeking to purchase the Facility through a purchase and sale agreement. The purpose of this letter is to provide prior notice of this acquisition, which is exempt from Certificate of Need ("CON") review, to the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (the "Agency"). Grantsboro Propco Holdings seeks confirmation that it is permitted to acquire the Facility as described herein without CON Review, thus acquiring the Facility's existing CON rights to own that existing health service facility (as defined in the CON statute) with 40 adult care beds.

## **I. THE PROPOSAL**

As of this date, Magnolia Woods Senior Village Inc.,<sup>\*</sup> owns the property and building comprising the Facility, which is an existing "health service facility," as that term is defined in N.C. Gen. Stat. § 131E-176(9)(b), and Magnolia Woods Senior Village Inc., is the Licensee. Grantsboro Propco Holdings, LLC will purchase the Facility, and the Licensee will be Grantsboro Propco Holdings, LLC. The Facility will still be known as The Gardens of Pamlico.

## **II. EXEMPTION NOTICE**

Under North Carolina law, a Certificate of Need ("CON") is required only prior to offering or developing a "new institutional health service." "New institutional health service" includes a variety of services and activities, including a capital expenditure exceeding \$2 million. N.C. Gen. Stat. § 131E-176(16)(b).

---

Physical Address: 1270 25<sup>th</sup> Street Place, SE Hickory, NC 28602-9657

Phone: (828) 261-7318 Fax: (828) 318-8714

*\* should say Magnolia Woods Senior Properties, LLC MF 9/9/15*

Mrs. Marth Frisone, Interim Chief  
Certificate of Need Section  
August 25, 2015  
Page Two

The North Carolina General Assembly saw fit to exempt certain types of services or proposals from CON review, pursuant to N.C. Gen. Stat. § 131E-184. One such exempt service or proposal includes the acquisition of an existing health service facility, "including equipment owned by the health service facility at the time of acquisition." N.C. Gen. Stat. § 131E-184(a)(8).

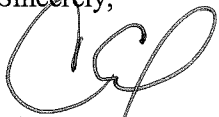
This project involves only the acquisition of an existing adult care home, which falls within the purview of the statutory definition of "health service facility." After acquisition, the Licensee, Grantsboro Opco Holdings, LLC, will to operate the Facility as an adult care home. Furthermore, Grantsboro Propco Holding's acquisition of the Facility does not entail the purchase of any major medical equipment or any *per se* reviewable equipment as defined in N.C. Gen. Stat. §§ 131E-176(14)(o) and (16)(f1). Likewise, the acquisition does not include the offering of any *per se* reviewable services. N.C. Gen. Stat. § 131E-176(16)(f). Thus, given that the transaction involves only the acquisition of an existing health services facility, it is exempt from CON review.

### **III. CONCLUSION**

Based on the foregoing information, we hereby request the Agency's confirmation that the proposal described above is exempt from CON review, pursuant to N.C. Gen. Stat. § 131E-184(a)(8), and thus Grantsboro Propco Holdings may acquire the Facility with all its existing CON rights without a CON.

In addition, we respectfully request that this request be considered on an **expedited basis** because the parties wish to proceed with this transaction as soon as possible. If you require additional information to consider this request, please contact us at (828) 261-7318 as soon as possible. We thank you for your consideration of this request.

Sincerely,



Charles E. Trefzger, Jr.  
Manager