

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

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

April 22, 2016

Alexander Foster  
Arnall, Golden, Gregory, LLP  
171 17<sup>th</sup> Street NW, Suite 2100  
Atlanta GA 30363-1031

**No Review**

**Record #:** 1928  
**Facility Name:** Cary Health and Rehabilitation Center  
**FID #:** 923078  
**Business Name:** Cary Health and Rehabilitation Center  
**Business #:** 2390  
**Project Description:** Conversion of semi-private bedrooms to private bedrooms  
**County:** Wake

Dear Mr. Foster:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of April 14, 2016 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 Construction and Nursing Home Licensure and Certification Sections 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

**Healthcare Planning and Certificate of Need Section**

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

Telephone: 919-855-3873 • Fax: 919-715-4413

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Mr. Foster  
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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. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Michael J. McKillip  
Project Analyst



Martha J. Frisone,  
Assistant Chief, Certificate of Need

cc: Construction Section, DHSR  
Nursing Home Licensure and Certification Section, DHSR  
Adult Care Licensure Section, DHSR  
Kelli Fisk, Program Assistant, Healthcare Planning, DHSR

923078

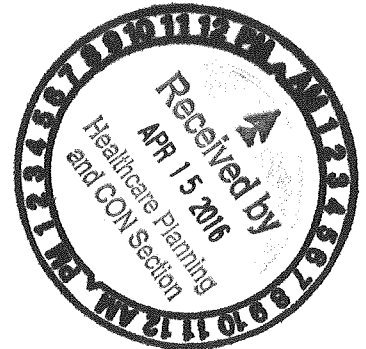
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April 14, 2016

**VIA UPS**

Ms. Martha Frisone  
Assistant Section Chief  
NC Division of Health Service Regulation  
Healthcare Planning and Certificate of Need Section  
809 Ruggles Drive  
Raleigh, NC 27603



**Re: Cary Health and Rehabilitation Center/ Proposed Changes  
Exemption from Review -- Time is of the Essence**

Dear Ms. Frisone:

I am writing on behalf of Cary Health and Rehabilitation Center ("Cary"), located at 6590 Tryon Road, Cary, North Carolina 27518-7052, which is licensed for 120 skilled nursing ("SNF") beds and 30 adult care home ("ACH") beds. As you may be aware, Cary has been in communication with DHSR's Construction Section regarding the conversion of its semi-private SNF rooms to private SNF rooms (the "Conversion") (Project No. NH-2593-PHH). Following this conversion, Cary will continue to have 120 licensed SNF beds. The conversion will take place upon approval from DHSR.

In a separate transaction, an interested party will relocate Cary's 30 ACH beds to a different facility in the same county, upon DHHS approval. This transfer will afford Cary the space to convert its semi-private SNF beds to private SNF beds. While we understand that this interested party will need to submit a certificate of need ("CON") application for the transfer and relocation of the 30 ACH beds, we understand the Conversion itself does not require CON review. Because the Conversion does not involve the development of a new institutional health service or an acquisition, and is expected to involve an expenditure of approximately \$100,000, we understand it is not an activity requiring a CON or CON review. We also understand that the proposed Conversion described above does not require any additional filings with your office prior to these changes taking place, and that we may proceed with consummating the proposed changes upon approval from the Licensure and Certification Section. **We respectfully request a letter or email acknowledgment from your office confirming our understanding.**

For your convenience, I have enclosed a stamped, self-addressed envelope and a copy of this letter for your signature in the space provided below indicating confirmation of our understanding as provided above.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

ARNALL GOLDEN GREGORY LLP



Alexander B. Foster

cc: Mr. Grant Johnston  
Ms. Tracey Cosby  
Hedy S. Rubinger, Esq.

**STATE OF NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION, CERTIFICATE OF NEED SECTION**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_