



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

July 25, 2016

Alexander B. Foster
Arnall Golden Gregory LLP
171 17th Street NW, Suite 2100
Atlanta, GA 30363-1031

No Review

Record #: 1995
Facility Name: Transitional Health Services of Kannapolis
FID #: 923060
Business Name: Transitional Health Services of Kannapolis
Business #: 1870
Project Description: Convert all semi-private nursing facility beds to private nursing facility beds
County: Cabarrus

Dear Mr. Foster:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of May 17, 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



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

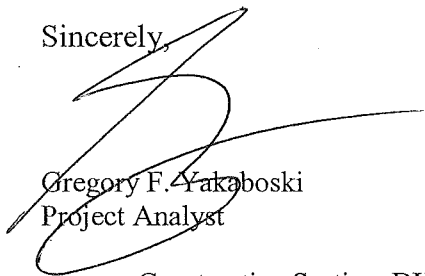
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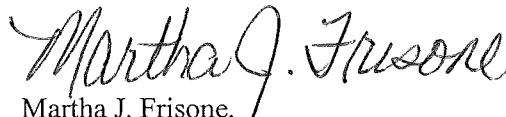
to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

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,



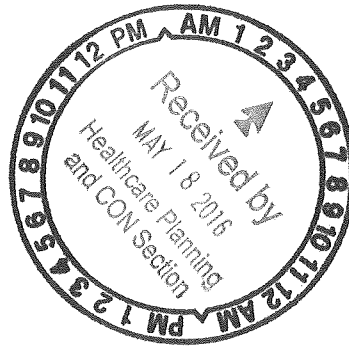
Gregory F. Yakoboski
Project Analyst



Martha J. Frisone,
Assistant Chief, Certificate of Need

cc: Construction Section, DHSR
Nursing Home Licensure and Certification Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

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May 17, 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: Transitional Health Services of Kannapolis / Proposed Changes
Exemption from Review -- Time is of the Essence**

Dear Ms. Frisone:

I am writing on behalf of Transitional Health Services of Kannapolis ("Kannapolis"), located at 1810 Concord Lake Road, Kannapolis, North Carolina 28083-0434, which is licensed for 107 skilled nursing ("SNF") beds and 5 adult care home ("ACH") beds. Kannapolis is currently in the process of converting its semi-private SNF rooms to private SNF rooms (the "Conversion"). Following this conversion, Kannapolis will continue to have 107 licensed SNF beds. The conversion will take place upon approval from DHRS.

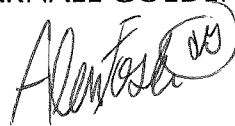
In a separate transaction, a third party will relocate Kannapolis's 5 ACH beds to a different facility in the same county, upon DHHS approval. This transfer will afford Kannapolis the space to convert its semi-private SNF beds to private SNF beds. While we understand that this party will need to submit a certificate of need ("CON") application for the transfer and relocation of the 5 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 \$40,000, 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
Mr. Cory Bennett
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: _____