



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

March 31, 2016

Noah H. Huffstetler III
GlenLake One, Second Floor
4140 Parklake Avenue
Raleigh, NC 27612

Exempt from Review – Acquisition of Facility

Record #: 1912
Facility Name: Native Angels Home Care Agency, Inc.
Type of Facility: Hospice / Home Care Agency
FID #: 010105
Acquisition by: North Carolina Caris Healthcare, LLC
Business #: 2374
County: Robeson

Dear Mr. Huffstetler:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of March 11, 2016, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, North Carolina Caris Healthcare, Inc. 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 Acute and Home Care Licensure and Section 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



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

An Equal Opportunity/ Affirmative Action Employer



separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,



Tanya S. Rupp
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, DHSR

Nelson Mullins

Nelson Mullins Riley & Scarborough LLP

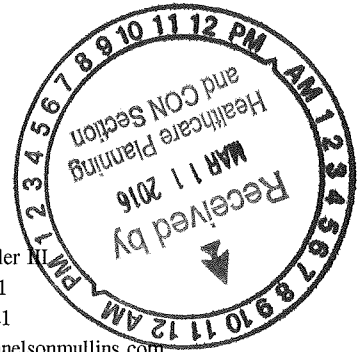
Attorneys and Counselors at Law

4140 Parklake Avenue / GlenLake One / Second Floor / Raleigh, NC 27612

Tel: 919.877.3800 Fax: 919.877.3821

www.nelsonmullins.com

Noah H. Huffstetler
Tel: 919.877.3801
Fax: 919.877.3821
noah.huffstetler@nelsonmullins.com



March 11, 2016

VIA HAND DELIVERY

Martha J. Frisone, Assistant Chief
Certificate of Need Section
North Carolina Department of Health and Human Services
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, NC 27603

*Caris Bus id 2374
NR id 1912
FID 010105
Native Angels Bus id 1292*

Re: Notice of Exempt Acquisition Pursuant to N.C. Gen. Stat. § 131E-184(a)(8)

Dear Ms. Frisone:

I am writing on behalf of North Carolina Caris Healthcare, LLC ("Caris"). Pursuant to N.C. Gen. Stat. § 131E-184(a)(8), this letter is intended to provide the Agency with prior written notice of Caris' planned acquisition of a hospice office owned and operated by Native Angels Home Care Agency, Inc. (the "Health Service Facility"). The Health Service Facility is presently located at 201 E. Livermore Drive in Pembroke, Roberson County, North Carolina, and operates under license number HOS2861.

Caris will acquire certain assets associated with the operation of the Health Service Facility, including but not limited to:

- All goodwill of the Health Service Facility in connection with the provision of hospice and palliative care in Cumberland County and the adjacent 6-county area covered by the Health Service Facility's applicable licenses;
- All contracts with hospitals and others relating to the hospice and palliative care business, which are identified by Caris during due diligence as being contracts which Caris intends to acquire, subject to the assignment clauses contained therein; and

Martha J. Frisone, Assistant Chief
March 11, 2016
Page 2

- All licenses and approvals required by the State of North Carolina for the Health Service Facility to operate as a hospice office.

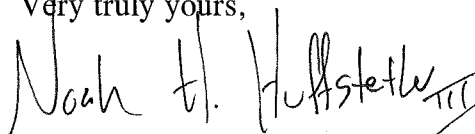
Please note that Caris will not acquire any certifications or provider numbers issued by the United States Department of Health and Human Services under which the Health Service Facility currently participates in the federal Medicare or Medicaid programs. Instead, in accordance with conversations I have had with Azzie Conley of the Licensure and Certification Section, Caris will apply to participate in the Medicare and Medicaid programs under a new provider number.

The Health Service Facility currently serves hospice clients in Pembroke, Robertson County, North Carolina and the adjacent 6-county area covered by the Health Service Facility's applicable licenses. Caris will continue provide service to this area. Caris will operate this hospice office in accordance with the CON that was issued to the Health Service Facility. The expected date of the acquisition is no later than April 29, 2016.

The Health Service Facility being acquired by Caris is an existing health service facility. Under the proposed acquisition, Caris will not develop or establish any new health service facility, and Caris intends to operate the existing Health Service Facility without making any changes which would trigger any of the "new institutional health service" definitions in N.C. Gen. Stat. § 131E-176(16).

N.C. Gen. Stat. § 131E-184(a)(8) provides that the acquisition of an existing health service facility is exempt from certificate of need review, upon prior written notice. As the transaction is scheduled to close no later than April 29, 2016, please let me know as soon as possible if you have any questions. A draft letter confirming the exempt nature of this transaction is attached for your consideration. Thank you for your prompt attention to this matter. With best wishes, we are

Very truly yours,

The signature is written in black ink and reads "Noah H. Huffstetler III". To the right of the signature, there is a handwritten note "w/permission" and a large, stylized signature that appears to be "JCS".

Noah H. Huffstetler III

Enclosures

cc: Mr. Norman C. McRae (with enclosures)
Mr. David Wilson Long (with enclosures)
Ms. Azzie Conley (with enclosures)

Noah H. Huffstetler III
Nelson Mullins Riley & Scarborough LLP
GlenLake One, Second Floor
4140 Parklake Avenue
Raleigh, NC 27612

Re: Exempt from Review/Acquisition of a hospice office owned and operated by
Native Angels Home Care Agency, Inc. by North Carolina Caris Healthcare,
LLC

Dear Mr. Huffstetler:

In response to your letter of March 11, 2016, the above-referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. § 131E-184(a)(8) because it constitutes the acquisition of a hospice office owned and operated by Native Angels Home Care Agency, Inc., which by definition is a health service facility. As such, North Carolina Caris Healthcare, LLC may proceed to acquire the above-referenced health service facility without first obtaining a 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.

Sincerely,

Martha J. Frisone, Assistant Chief
Certificate of Need Section

cc: Medical Facilities Planning Section
Norman C. McRae (President of Caris Healthcare, L.P.)