



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

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne, Director  
Health Service Regulation

November 23, 2016

Colleen M. Crowley  
555 Fayetteville Street, Suite 720  
Raleigh, NC 27601

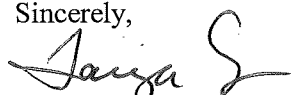
**Exempt from Review – Acquisition of Facility**


**Record #:** 2096  
**Facility Name:** Sandhills Regional Medical Center  
**Type of Facility:** Hospital  
**FID #:** 000195  
**Acquisition by:** FirstHealth of the Carolinas, Inc.  
**Business #:** 736  
**County:** Richmond

Dear Ms. Crowley:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of October 21, 2016, the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(a)(8). Therefore, FirstHealth of the Carolinas, 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 Certification 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 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  
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR



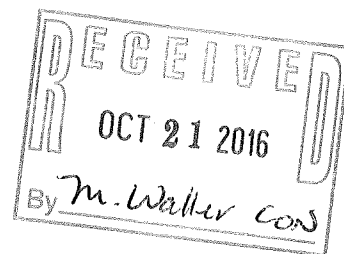
**Healthcare Planning and Certificate of Need Section**

www.ncdhhs.gov  
Telephone: 919-855-3873 • Fax: 919-715-4413  
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October 21, 2016

Colleen M. Crowley  
(919) 835-3402  
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ccrowley@polsinelli.com

**VIA HAND-DELIVERY**

Ms. Martha J. Frisone, Assistant Chief  
Ms. Tanya S. Rupp, Project Analyst  
North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Health Planning and Certificate of Need Section  
809 Ruggles Drive  
Raleigh, NC 27603

**Re: Exemption Notice for Acquisition of Hamlet H.M.A., LLC d/b/a  
Sandhills Regional Medical Center by FirstHealth of the Carolinas,  
Inc.**

*Busid 863-SRMC/Hamlet  
NR 2096*

**Hospital License No. H0265; Facility ID No. 000195**

Dear Ms. Frisone and Ms. Rupp:

The purpose of this letter is to inform you of a proposed transaction involving the acquisition of Hamlet H.M.A, LLC d/b/a Sandhills Regional Medical Center (“Sandhills”) by FirstHealth of the Carolinas, Inc. (“FirstHealth”). Sandhills is the owner of a licensed acute care hospital located in Hamlet, North Carolina (the “Hospital”). We are requesting that the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Health Planning and Certificate of Need Section (the “Agency”) confirm that this transaction is exempt from review pursuant to N.C. Gen. Stat. § 131E-184(a)(8).

The General Assembly has chosen to exempt certain, otherwise reviewable events from Certificate of Need (“CON”) review, including the acquisition of a health service facility, along with the equipment owned by the health service facility at the time of the acquisition. See N.C. Gen. Stat. § 131E-184(a)(8). Under N.C. Gen. Stat. § 131E-176(9b), a hospital is a “health service facility.” FirstHealth will be acquiring the Hospital as an existing “health service facility,” including all equipment owned at the time of acquisition. After the acquisition, FirstHealth will continue to operate the health service facility as a hospital.

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Ms. Martha Frisone  
Ms. Tanya Rupp  
October 21, 2016  
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In addition, the proposed transaction does not entail the acquisition 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), except in conjunction with the acquisition of the entire existing Hospital. Likewise, the transaction does not include the offering of any *per se* reviewable services except those already offered by the Hospital. See N.C. Gen. Stat. § 131E-176(16)(f). Accordingly, given that the transaction involves only an existing health service facility, it is exempt from CON review.

Based on the foregoing information, we hereby request the Agency confirm this transaction is exempt from CON review under N.C. Gen. Stat. § 131E-184(a)(8). Sandhills is represented by Melissa Paquette of Bradley Arant Boult Cummings, LLP, and she has authorized submission of this letter.

Since the effective date of this acquisition is currently anticipated to be December 1, 2016, we respectfully request your expedited review.

Thank you for your assistance with this matter. Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

A handwritten signature in cursive script that reads "Colleen M. Crowley".

Colleen M. Crowley

CMC:bhh

cc: Lynn S. DeJaco; Amy V. Graham, FirstHealth of the Carolinas  
Melissa Paquette, Esq., Bradley Arant Boult Cummings, LLP