



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

September 13, 2016

Denise Gunter
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380 Knollwood Street, Suite 530
Winston-Salem NC 27103

Exempt from Review – Acquisition of Facility

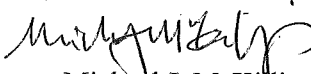
Record #: See Attachment A
Facility Name: See Attachment A
Type of Facility: Nursing Facility
FID #: See Attachment A
Acquisition by: See Attachment A
County: See Attachment A

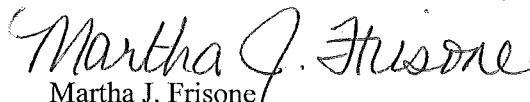
Dear Ms. Gunter:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of August 29, 2016, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, the entities identified in Attachment A may proceed to acquire the above referenced health service facilities without first obtaining a certificate of need. However, you need to contact the Agency's Nursing Home Licensure and Certification Section to obtain instructions for changing ownership of the existing facilities. 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,


Michael J. McKillip
Project Analyst


Martha J. Frisone
Assistant Chief, Certificate of Need

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



Healthcare Planning and Certificate of Need Section

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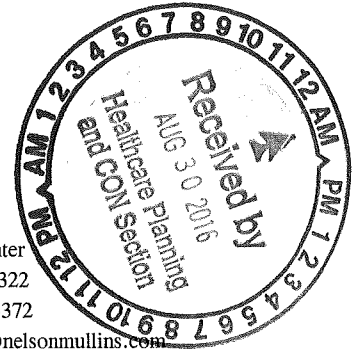
Attachment A

Name of Facility	FID	County	Record #	Real Properties and CON Acquired by:
PruittHealth-Rockingham	923337	Richmond	2048	Rockingham Healthcare Properties, Inc.
PruittHealth-Raleigh	990762	Wake	2049	Wake Healthcare Properties, Inc.
PruittHealth-Neuse	923514	Craven	2050	Two Rivers Properties, Inc.
PruittHealth-High Point	923250	Forsyth	2051	High Point Healthcare Properties, Inc.
PruittHealth-Union Pointe	080171	Union	2052	The Heritage Properties of Union County, Inc.
PruittHealth-Elkin	923208	Surry	2053	Elkin Healthcare Properties
PruittHealth-Trent	923215	Craven	2054	New Bern Healthcare Properties, Inc.
PruittHealth-Farmville	923209	Pitt	2055	Farmville Properties, Inc.
PruittHealth-Town Center	980641	Cabarrus	2056	The Heritage Properties at Town Center, Inc.
PruittHealth-Durham	923197	Durham	2057	Durham Healthcare Properties, Inc.
PruittHealth-Carolina Point	923336	Orange	2058	Orange County Healthcare Properties, Inc.
The Oaks-Brevard	922980	Transylvania	2059	Ivy Hill Properties, Inc.
The Oaks at Whitaker Glen-Mayview	923332	Wake	2060	Mayview Healthcare Properties, Inc.

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August 29, 2016

Hand Delivered

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

Re: Internal Reorganization of PruittHealth's North Carolina Skilled Nursing Facilities

Dear Martha:

Pursuant to N.C. Gen. Stat. § 131E-184(a)(8), this letter serves as prior written notice of an internal reorganization of the PruittHealth organization's skilled nursing facilities (SNFs) in North Carolina listed on the attached Exhibit A. Specifically, each current CON holder listed on Exhibit A intends to transfer the CON rights to various property holding companies, which are all ultimately owned by the same parent company, United Health Services, Inc. No third parties outside the PruittHealth organization are involved in this internal reorganization. The licensed operators of these SNFs will not change as a result of this reorganization and the operations of these SNFs will otherwise remain unchanged. The licensed operators will continue to lease the facilities from the property companies as they do now. As Exhibit A shows, some of these facilities were built before the CON Law. In some cases, two entities (an operating company and a property company) applied for the CON together; in those cases, the effect of this transfer would be to make the property company the sole owner of the CON.

This internal reorganization of the PruittHealth organization's SNFs does not implicate any of the definitions of "new institutional health service" under the CON Law. In particular, no new beds, equipment or other healthcare services are being added.


Martha J. Frisone
August 29, 2016
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Accordingly, PruittHealth respectfully requests that the CON Section issue a written determination that the reorganization is exempt from CON review.

Please let me know if you have any questions.

Thank you for your time and attention.

Sincerely,

 Denise M. Gunter
Denise M. Gunter

Enclosure: Exhibit A (list of SNFs)

EXHIBIT A

Name and Address of Facility	Licensed Operator and License Number	County	FID Number	Entity to Which CON was Issued (if Applicable)	Proposed New CON Holder
PruittHealth-Rockingham 804 Long Drive, Rockingham, NC 28379-1237	PruittHealth-Rockingham LLC NH0427	Richmond	923337	N/A – facility was built before the CON Law	Rockingham Healthcare Properties, Inc.
PruittHealth-Raleigh 2420 Lake Wheeler Road, Raleigh, NC 27603	PruittHealth-Raleigh LLC NH0618	Wake	990762	Wake Healthcare Properties, Inc. and Wake Healthcare Center	Wake Healthcare Properties, Inc.
PruittHealth-Neuse 1303 Health Drive, New Bern, NC 28560	PruittHealth-Neuse LLC NH0496	Craven	923514	Two Rivers Nursing Center, Inc.	Two Rivers Properties, Inc.
PruittHealth-High Point 3830 North Main Street, High Point, NC 27265-1126	PruittHealth-High Point LLC NH0021	Forsyth	923250	N/A – facility was built before the CON Law	High Point Healthcare Properties, Inc.
PruittHealth - Union Pointe	The Heritage of Union County LLC	Union	080171	The Heritage Properties of Union	The Heritage Properties of Union County, Inc.

Name and Address of Facility	Licensed Operator and License Number	County	FID Number	Entity to Which CON was Issued (if Applicable)	Proposed New CON Holder
3510 West Highway 74 Monroe, NC 28110	NH0644			County, Inc. (lessor) and The Heritage of Union County, LLC (lessee)	
PruittHealth-Elkin 560 Johnson Ridge Road, Elkin, NC 28621-2495	PruittHealth-Elkin LLC NH0303	Surry	923208	N/A – facility was built before the CON Law	Elkin Healthcare Properties, Inc.
PruittHealth-Trent 836 Hospital Drive, New Bern, NC 28560-3445	PruittHealth-Trent LLC NH0311	Craven	923215	N/A – facility was built before the CON Law	New Bern Healthcare Properties, Inc.
PruittHealth-Farmville 4351 South Main Street, Farmville, NC 27828	PruittHealth-Farmville LLC NH0304	Pitt	923209	N/A – facility was built before the CON Law	Farmville Properties, Inc.
PruittHealth-Town Center 6300 Roberta Road, Harrisburg, NC 28075	PruittHealth-Town Center LLC NH0604	Cabarrus	980641	Pruitt Corporation	The Heritage Properties at Town Center, Inc.

Name and Address of Facility	Licensed Operator and License Number	County	FID Number	Entity to Which CON was Issued (if Applicable)	Proposed New CON Holder
PruittHealth-Durham 3100 Erwin Road, Durham, NC 27705	PruittHealth-Durham LLC NH0412	Durham	923197	Durham Healthcare Properties, Inc. and UPAC Durham, LLC	Durham Healthcare Properties, Inc.
PruittHealth-Carolina Point 5935 Mount Sinai Road, Durham, NC 27705-8616	PruittHealth-Carolina Point LLC NH0093	Orange	923336	N/A – facility was built before the CON Law	Orange County Healthcare Properties, Inc.
The Oaks – Brevard 300 Morris Road, Brevard, NC 28712	The Oaks- Brevard LLC NH0563	Transylvania	922980	Pruitt Corporation	Ivy Hill Properties, Inc.
The Oaks at Whitaker Glen- Mayview 513 East Whitaker Mill Road, Raleigh, NC 27608-2699	Whitaker Glen Inc. NH0007	Wake	923332	N/A – facility was built before the CON Law	Mayview Healthcare Properties, Inc.