



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

August 10, 2017

Kenneth L. Burgess  
301 Fayetteville Street, Suite 1900  
Raleigh, NC 27601

**Exempt from Review – Acquisition of Facility**

**Record #:** 2354  
**Facility Name:** Open Arms Retirement Center  
**Type of Facility:** Adult care home  
**FID #:** 010099  
**Acquisition by:** Integrity-Raeford, LLC  
**Business #:** 2698  
**County:** Hoke

Dear Mr. Burgess:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of August 9, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Integrity-Raeford, LLC 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 Adult Care Licensure Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C. Gen. Stat. §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, Chief  
Healthcare Planning and Certificate of Need Section

cc: Adult Care Licensure Section, DHSR  
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

**HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION**  
WWW.NCDHHS.GOV  
TELEPHONE 919-855-3873  
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





Poyner Spruill<sup>LLP</sup>

August 8, 2017

Kenneth L. Burgess  
Partner  
D: (919) 783-2917  
F: (919) 783-1075  
kburgess@poynerspruill.com

VIA HAND DELIVERY

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

**RE: *Notice of Exempt Acquisition by Purchase of North Carolina Adult Care Home Pursuant to N.C. Gen. Stat. § 131E-184(a)(8)***

Dear Martha:

I am writing on behalf of the entities identified below to provide the notice required by N.C. Gen. Stat. § 131E-184(a)(8) of the acquisition of the adult care home currently known as Raetuc Holdings, LLC d/b/a Open Arms Retirement Center ("Open Arms" or "the facility") and to request confirmation by the N.C. Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section ("the Agency" or "the CON Section") that the transaction described herein is exempt from Certificate of Need ("CON") review and does not require a CON. Open Arms is a 90-bed adult care home located at 612 Health Care Drive, Raeford, North Carolina and holds license number HAL-047-009 (FDID# 010099).

Open Arms is currently owned and operated by Raetuc Holdings, LLC d/b/a Open Arms Retirement Center. Open Arms is being purchased by our client Integrity-Raeford, LLC and will be operated by Integrity-Open Arms, LLC, both of which are North Carolina limited liability companies and are related entities to our client Integrity Senior Properties Investments, LLC, a Florida limited liability company located at 3053 South Church Street, Burlington, North Carolina 27215. We estimate that the transaction will close on or about August 30, 2017, or as soon thereafter as the N.C. Department of Health and Human Services, Division of Health Service Regulation, Adult Care Licensure Section approves a change of ownership application and issues a license for the new operator. We are in the process of preparing a Change of Ownership Licensure Application which will be filed shortly with the N.C. Department of Health and Human Services, Division of Health Service Regulation, Adult Care Licensure Section.

Pursuant to N.C. Gen. Stat. § 131E-176(9b), Open Arms is a "health service facility." N.C. Gen. Stat. § 131E-176(16)(l) provides that the purchase, lease, or acquisition of any health service facility, or portion thereof, which was developed pursuant to a certificate of need qualifies as a "new institutional health service." N.C. Gen. Stat. § 131E-178(b) provides that "[n]o person shall make an acquisition by donation, lease, transfer or comparable arrangement without first obtaining a certificate of need from the Department, if the acquisition would have been a new institutional health service if it had been made by purchase." N.C. Gen. Stat. § 131E-184(a)(8) provides that the acquisition of an existing health service facility, including equipment owned by the health service facility at the time of acquisition, is exempt from CON review upon prior written notice to the Agency of the proposed acquisition.

Martha Frisone, Chief  
August 8, 2017  
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The acquisition of the Open Arms adult care home by our clients, as described herein, will not involve the development of any new health service facility or otherwise qualify as a "new institutional health service" which would be subject to Agency review under applicable Certificate of Need statutes or regulations. Rather, the transaction I have described herein qualifies as an "exempt transaction" within the meaning of N.C. Gen. Stat. § 131E-184(a)(8). This correspondence is intended to serve as the written notice to the Agency required by N.C. Gen. Stat. § 131E-184(a)(8).

Please provide me with written confirmation that this transaction is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(8). I appreciate your attention to this matter. Please let me know if there are any questions regarding this notice or if the Agency needs further information.

Yours truly,



**Kenneth L. Burgess**  
*Partner*

cc: Jonathan Short

Open Arms FID 010099  
Busid 2698  
NR 2354

# State of North Carolina

Department of Health and Human Services  
Division of Health Service Regulation

*Effective January 1, 2017, this license is issued to*

*RAETUC HOLDINGS, LLC*

*to operate an Adult Care Home known as*

*Open Arms Retirement Center*

*located at 612 Health Drive  
Raeford, NC, Hoke County.*

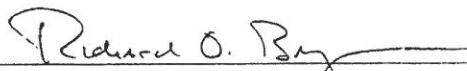
*This license is issued subject to the statutes of the State of North  
Carolina, is not transferable and shall expire  
December 31, 2017.*

*License Number: HAL-047-009*

*Capacity: 90*

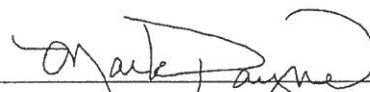
*Special Care Units: X Yes    No      Type: *Alzheimer's/Dementia* 22*

Authorized by:



Secretary, N.C. Department of Health and  
Human Services





Director, Division of Health Service Regulation