



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

July 26, 2017

Maureen Demarest Murray
300 N. Greene Street, Suite 1400
Greensboro, NC 27401

No Review

Record #: 2338
Facility Name: Carolina Oaks Enhanced Care Center
FID #: 920552
Project Description: Change in operator of adult care home
County: Caldwell

Dear Ms. Murray:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of July 18, 2017 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 Adult Care Home Licensure Section 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 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.

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



Maureen Demarest Murray

July 26, 2017

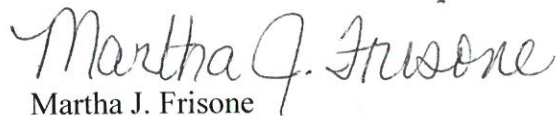
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Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Julie Halatek
Project Analyst



Martha J. Frisone
Chief, Healthcare Planning and Certificate of Need

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



300 N. Greene Street
Suite 1400
Greensboro, NC 27401

July 18, 2017

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

Via E-mail and U.S. Mail

Re: Notice of Exemption Acquisition of Hilltop Rest Home, Inc. d/b/a Carolina Oaks
Enhanced Care Center
License Number: HAL-014-002

Dear Ms. Frisone:

This letter is a follow-up to our June 30, 2017 letter to you concerning Hilltop Rest Home, Inc. d/b/a Carolina Oaks Enhanced Care Center (“Carolina Oaks” or “Facility”). As you know, we represent Brett L. Waters and Hamilton Ward and their designees in connection with acquisition of Carolina Oaks. We also represent Spartan Holdings LLC (“Spartan Holdings”), which was formed by Brett L. Waters, Hamilton Ward and Jim Martin. Brett L. Waters, Hamilton Ward and James Martin each have an ownership interest in Spartan Holdings.

As noted in our June 30, 2017 letter to you, Carolina Oaks is an existing assisted living or adult care home facility that is licensed for 60 adult care home beds and located at 229 Wilson Street NW, Lenoir, North Carolina. G & M Associates has operated the Facility under 2017 license number HAL-014-002. Due to default by G & M Associates, Spartan Holdings is applying for a license to operate the Facility. Carolina Oaks was an existing health service facility owned by Hilltop Rest Home, Inc. when the North Carolina Certificate of Need Act was amended to require a certificate of need (“CON”) to develop or establish adult care or assisted living beds. As a result, there is not a CON that names a lessor owner and lessee operator of the Facility.

Spartan Holdings hereby gives prior written notice of its intent to lease and operate the Facility and requests a no review determination that its lease of the Facility does not require a CON. Spartan Holdings does not intend to acquire the Facility. Brett L. Waters and Hamilton Ward or their designee will continue to own the Facility and all CON rights associated with the Facility. Spartan Holdings’ lease of Carolina Oaks, an existing health service facility, with no change of ownership and no acquisition of the Facility does not require a CON and is exempt from CON review under N.C. Gen. Stat. § 131E-176(16)(a), § 131E-178(b) and § 131E-181. Because Spartan Holdings is not establishing or developing a new assisted living facility but

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leasing an existing an existing facility, a CON is not required. Carolina Oaks has long been complete and operational as an assisted living facility.

We would appreciate your prompt acknowledgment that the lease of Carolina Oaks by Spartan Holdings is not subject to review under the Certificate of Need Act. Please let us know if you have any questions.

With kind regards,

Sincerely,

SMITH MOORE LEATHERWOOD LLP

A handwritten signature in cursive script that reads "Maureen Demarest Murray".

Maureen Demarest Murray