



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

May 22, 2017

J. Melvin Deaton
Post Office Box 2568
Hickory, North Carolina 28603-2568

Exempt from Review – Acquisition of Facility

Record #: 2271
Facility Name: Rose Hill Senior Living (formerly known as Rosemary Rest Home)
Type of Facility: Adult Care Home
FID #: 945023
Acquisition by: Rosehill Propco, LLC
Business #: 2650
County: Duplin

Dear Mr. Deaton:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter May 1, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Rosehill Propco, LLC may proceed to acquire the above referenced health service facility Rose Hill Senior Living (fka Rosemary Rest Home) 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,


Jane Rhoe-Jones
Project Analyst


Martha J. Frisone
Assistant Chief, Certificate of Need

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



Rec 2271

JRS

Rosehill Propco, LLC

Post Office Box 2568

Hickory, North Carolina 28603-2568

May 1, 2017



Ms. Martha Frisone, Assistant Chief
 Certificate of Need Section
 Division of Health Service Regulation
 Department of Health and Human Services
 2704 Mail Service Center
 Raleigh, NC 27699-2704

Re: Exemption Notice for Rose Hill Senior Living (fka Rosemary Rest Home) (Adult Care Home in Duplin County)
FID#: 945023; Facility License No.: HAL-031-015

Dear Ms. Frisone:

Rosehill Propco, LLC (“Rosehill Propco”) is planning to acquire an adult care home in Duplin County, currently known as Rosemary Rest Home (hereafter “the Facility”). The Facility is located at 571 S. Sycamore Street in Rose Hill, North Carolina. The Facility is listed in the “Inventory of Adult Care Home Beds” in the 2017 State Medical Facilities Plan as having 45 adult care home beds. The anticipated transaction date is May 31, 2017.

Rosehill Propco is seeking to purchase the Facility through a purchase and sale agreement. The purpose of this letter is to provide prior notice of this acquisition, which is exempt from Certificate of Need (“CON”) review, to the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (the “Agency”). Rosehill Propco seeks confirmation that it is permitted to acquire the Facility as described herein without CON Review, thus acquiring the Facility’s existing CON rights to own that existing health service facility (as defined in the CON statute) with 45 adult care beds.

I. THE PROPOSAL

As of this date, Rosemary Partners owns the property and building comprising the Facility, which is an existing “health service facility,” as that term is defined in N.C. Gen. Stat. § 131E-176(9)(b), and Rosemary Rest Home, Inc. is the Licensee. Rosehill Propco will purchase the Facility, and the Licensee will be Rosehill Opco, LLC. The Facility will be known as Rose Hill Senior Living.

II. EXEMPTION NOTICE

Under North Carolina law, a Certificate of Need (“CON”) is required only prior to offering or developing a “new institutional health service.” “New institutional health service” includes a variety of services and activities, including a capital expenditure exceeding \$2 million. N.C. Gen. Stat. § 131E-176(16)(b).

Ms. Marth Frisone, Assistant Chief
Certificate of Need Section
May 1, 2017
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The North Carolina General Assembly saw fit to exempt certain types of services or proposals from CON review, pursuant to N.C. Gen. Stat. § 131E-184. One such exempt service or proposal includes the acquisition of an existing health service facility, "including equipment owned by the health service facility at the time of acquisition." N.C. Gen. Stat. § 131E-184(a)(8).

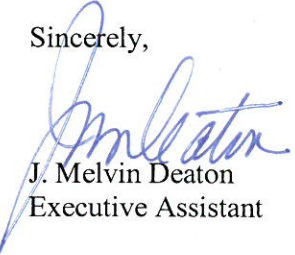
This project involves only the acquisition of an existing adult care home, which falls within the purview of the statutory definition of "health service facility." After acquisition, the Licensee, Rosehill Opco, LLC, will operate the Facility as an adult care home. Furthermore, Rosehill Propco's acquisition of the Facility does not entail the purchase 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). Likewise, the acquisition does not include the offering of any *per se* reviewable services. N.C. Gen. Stat. § 131E-176(16)(f). Thus, given that the transaction involves only the acquisition of an existing health services facility, it is exempt from CON review.

III. CONCLUSION

Based on the foregoing information, we hereby request the Agency's confirmation that the proposal described above is exempt from CON review, pursuant to N.C. Gen. Stat. § 131E-184(a)(8), and thus Rosehill Propco may acquire the Facility with all its existing CON rights without a CON.

In addition, we respectfully request that this request be considered on an **expedited basis** because the parties wish to proceed with this transaction as soon as possible. If you require additional information to consider this request, please contact us at (828) 261-7312 as soon as possible. We thank you for your consideration of this request.

Sincerely,



J. Melvin Deaton
Executive Assistant