



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Service Regulation

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director

June 20, 2018

J. Melvin Deaton
400 Second Avenue NW
Hickory, NC 28601-4993

Exempt from Review – Acquisition of Facility

Record #: 2619
Facility Name: Cardinal Care Center-Hendersonville
Type of Facility: Adult Care Home
FID #: 920163
Acquisition by: Cardinal Propco, LLC
Business #: 2850
County: Henderson

Dear Mr. Deaton:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of June 11, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Cardinal Propco, LLC may proceed to acquire the above referenced health service facility, and change its licensee to Cardinal AL Holdings, LLC, 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,

Julie M. Faenza
Project Analyst

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

cc: Adult Care Licensure Section, DHSR
Amy Craddock, Assistant Chief, Healthcare Planning, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Cardinal Propco, LLC

*Post Office Box 2568
Hickory, North Carolina 28603-2568*

June 11, 2018



Ms. Martha Frisone, 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 The Gardens of Hendersonville fka Cardinal Care Center-Hendersonville (Adult Care Home in Henderson County)
FID#: 920163; Facility License No.: HAL-045-001**

Dear Ms. Frisone:

Cardinal Propco, LLC (“Cardinal Propco”) is planning to acquire an adult care home in Henderson County, currently known as Cardinal Care Center-Hendersonville (hereafter “the Facility”). The Facility is located at 1000 West Allen Street in Hendersonville, North Carolina. The Facility is listed in the “Inventory of Adult Care Home Beds” in the 2018 State Medical Facilities Plan as having 60 adult care home beds.

Cardinal 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”). Cardinal 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 60 adult care beds.

I. THE PROPOSAL

As of this date, Cardinal Care, Inc., 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 Cardinal Care, Inc. is also the Licensee. Cardinal Propco will purchase the Facility, and the Licensee will be Cardinal AL Holdings, LLC. The Facility will be known as The Gardens of Hendersonville.

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).

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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).

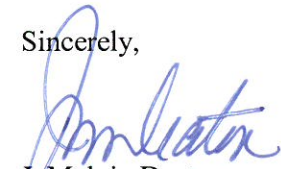
This project involves only the acquisition of an existing adult care home, which falls within the purview of the statutory definition of “health service facility.” After acquisition, the Licensee, Cardinal AL Holdings, LLC, will operate the Facility as an adult care home. Furthermore, Cardinal Propco’s 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 Cardinal 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) 322-5535 as soon as possible. We thank you for your consideration of this request.

Sincerely,



J. Melvin Deaton
Executive Assistant

Table 11A: Inventory of Adult Care Homes (Assisted Living) Beds

County	Facility Name	Licensed Beds in Nursing Homes	Licensed Beds in Hospitals	Licensed Beds in Adult Care Facilities	Total Licensed Beds	CON Approved/ License Pending		Available in SMFP	Total Available	Sum of Exclusions	Total Planning Inventory
						CON	CON Bed Transfer				
Harnett	Green Leaf Care Center	0	0	105	105	0	0	0	105	0	105
Harnett	Johnson Better Care Facility	0	0	50	50	0	0	0	50	0	50
Harnett	Oak Hill Living Center	0	0	122	122	0	0	0	122	0	122
Harnett	Pinecrest Gardens	0	0	60	60	0	0	0	60	0	60
Harnett	Senior Citizens Village	0	0	65	65	0	0	0	65	0	65
Harnett	Senior's Rest Home	0	0	50	50	0	0	0	50	0	50
Harnett	Stage Coach Manor	0	0	40	40	0	0	0	40	0	40
Harnett	Universal Health Care Lillington	106	0	0	106	0	0	0	106	0	106
Harnett	Unprecedented Care	0	0	12	12	0	0	0	12	0	12
Harnett Totals		114	0	564	678	0	0	0	678	0	678
Haywood	Autumn Care of Waynesville	10	0	0	10	0	0	0	10	0	10
Haywood	Chestnut Park Rest Home #1	0	0	10	10	0	0	0	10	0	10
Haywood	Chestnut Park Retirement Center	0	0	20	20	0	0	0	20	0	20
Haywood	Creekside Villas	0	0	20	20	0	0	0	20	0	20
Haywood	Haywood House	0	0	60	60	0	0	0	60	0	60
Haywood	Haywood Lodge and Retirement Center	0	0	68	68	0	0	0	68	0	68
Haywood	McCracken Rest Home	0	0	22	22	0	0	0	22	0	22
Haywood	Pigeon Valley Rest Home	0	0	29	29	0	0	0	29	0	29
Haywood	Richland Community Care #2	0	0	11	11	0	0	0	11	0	11
Haywood	Silver Bluff LLC	13	0	0	13	0	0	0	13	0	13
Haywood	Spicewood Cottages Elms	0	0	20	20	0	0	0	20	0	20
Haywood	Spicewood Cottages Oaks	0	0	20	20	0	0	0	20	0	20
Haywood	Spicewood Cottages Willows	0	0	20	20	0	0	0	20	0	20
Haywood Totals		23	0	300	323	0	0	0	323	0	323
Henderson	Blue Ridge Retirement	0	0	43	43	0	0	0	43	0	43
Henderson	Cardinal Care Center - Hendersonville	0	0	60	60	0	0	0	60	0	60
Henderson	Carillon Assisted Living Of Hendersonville	0	0	96	96	0	0	0	96	0	96
Henderson	Carolina Reserve of Hendersonville	0	0	61	61	0	0	0	61	0	61
Henderson	Carolina Reserve of Laurel Park	0	0	48	48	0	0	0	48	0	48
Henderson	Carolina Village	0	0	60	60	0	0	0	60	16	44
Henderson	Cherry Springs Village	0	0	60	60	0	0	0	60	0	60
Henderson	Country Meadow Rest Home (Transfer to Winchester House)	0	0	15	15	0	-15	0	0	0	0
Henderson	Henderson's Assisted Living	0	0	26	26	0	0	0	26	0	26
Henderson	Heritage Hills A Pacifica Senior Living Community	0	0	24	24	0	0	0	24	0	24
Henderson	McCullough's Rest Home	0	0	13	13	0	0	0	13	0	13
Henderson	Mountain View Assisted Living	0	0	27	27	0	0	0	27	0	27
Henderson	The Laurels of Hendersonville	20	0	0	20	0	0	0	20	0	20