



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

October 15, 2018

Alison Hollender
2001 Ross Avenue, Suite 2000
Dallas, TX 75201

No Review

Record #: 2734
Facility Name: See Attachment A
FID #: See Attachment A
Business Name: Bayada Newco, LLC
Business #: 2922
Project Description: Internal corporate restructuring at the parent level of Bayada Home Health Care, Inc.
County: See Attachment A

Dear Ms. Hollender:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of October 11, 2018 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 Acute and Home Care Licensure and Certification 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.

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

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

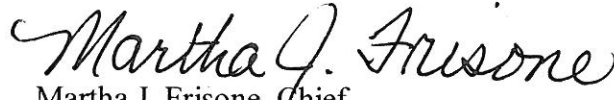
LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 2701 Mail Service Center, Raleigh, NC 27699-2701
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3750 • FAX: 919-733-2757

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,



Celia C. Inman
Project Analyst



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

cc: Acute and Home Care Licensure and Certification Section, DHSR
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR

BAYADA Home Health Care North Carolina CON Information Attachment A

Name	Location	County	License #	Facility FID
BAYADA Home Health Care	Albemarle, NC	Stanly	HC3281	FID 051508
BAYADA Home Health Care	Asheboro, NC	Randolph	HC3552	FID 061264
BAYADA Home Health Care	Asheville, NC	Buncombe	HC2276	FID 030058
BAYADA Home Health Care	Charlotte, NC	Mecklenburg	HC0355	FID 953836
BAYADA Home Health Care	Charlotte, NC	"	HC1705	FID 980888
BAYADA Home Health Care	Charlotte, NC	"	HC4322	FID 110152
BAYADA Home Health Care	Charlotte, NC	"	HC2063	FID 010863
BAYADA Home Health Care	Concord, NC	Cabarrus	HC0486	FID 943643
BAYADA Home Health Care	Durham, NC	Durham	HC2531	FID 040348
BAYADA Home Health Care	Durham, NC	"	HC4582	FID 120581
BAYADA Home Health Care	Elkin, NC	Surry	HC3289	FID 060030
BAYADA Home Health Care	Elkin, NC	"	HC3858	FID 090596
BAYADA Home Health Care	Fayetteville, NC	Cumberland	HC2408	FID 030825
BAYADA Home Health Care	Gastonia, NC	Gaston	HC2175	FID 020629
BAYADA Home Health Care	Gastonia, NC	"	HC0356	FID 953835
BAYADA Home Health Care	Greensboro, NC	Guildford	HC2577	FID 040719
BAYADA Home Health Care	Greensboro, NC	"	HC1286	FID 924739
BAYADA Home Health Care	Greensboro, NC	"	HC1887	FID 000387
BAYADA Home Health Care	Greenville, NC	Pitt	HC3760	FID 090242
BAYADA Home Health Care	Greenville, NC	"	HC4580	FID 120561
BAYADA Home Health Care	Hendersonville, NC	Henderson	HC2482	FID 040068
BAYADA Home Health Care	Hickory, NC	Catawba	HC2076	FID 010936
BAYADA Home Health Care	Lexington, NC	Davidson	HC0358	FID 953832
BAYADA Home Health Care	Monroe, NC	Union	HC2426	FID 030993
BAYADA Home Health Care	Morganton, NC	Burke	HC3925	FID 090851
BAYADA Home Health Care	Raleigh, NC	Wake	HC2171	FID 020477
BAYADA Home Health Care	Raleigh, NC	"	HC1798	FID 990829
BAYADA Home Health Care	Raleigh, NC	"	HC3832	FID 090473
BAYADA Home Health Care	Raleigh, NC	"	HC3820	FID 090405
BAYADA Home Health Care	Roxboro, NC		HC0354	FID 933837
BAYADA Home Health Care	Salisbury, NC	Rowan	HC3707	FID 070554
BAYADA Home Health Care	Salisbury, NC	"	HC1969	FID 010160
BAYADA Home Health Care	Salisbury, NC	"	HC0357	FID 933834
BAYADA Home Health Care	Shelby, NC	Cleveland	HC2893	FID 041529
BAYADA Home Health Care	Waynesville, NC	Haywood	HC3873	FID 090643
BAYADA Home Health Care	Wilmington, NC	New Hanover	HC4378	FID 110388
BAYADA Home Health Care	Wilmington, NC	"	HC4566	FID 120454
BAYADA Home Health Care	Winston-Salem, NC	Forsyth	HC0184	FID 943615
BAYADA Home Health Care	Winston-Salem, NC	"	HC2213	FID 020897
BAYADA Home Health Care	Winston-Salem, NC	"	HC0005	FID 943833
BAYADA Home Health Care				FID 943643 Duplicate
BAYADA Home Health Care				FID 953836 "
BAYADA Home Health Care				FID 953832 ' "
BAYADA Home Health Care				FID 943833 "
BAYADA Home Health Care				FID 953835 "

HUSCHBLACKWELL

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Joe.Geraci@huschblackwell.com

VIA FEDEX

Martha Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health & Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Bayada Home Health Care, Inc. - Internal Corporate Restructure, Transfer of Equity at the Parent Level

Dear Ms. Frisone,

We are writing this letter to you on behalf of Bayada Home Health Care, Inc. (“Bayada”) to notify you of an internal corporate restructure that Bayada is undergoing on December 31, 2018 which will result in a change to the indirect ownership interests at the parent level of Bayada. **We request that your office provide a letter confirming our understanding as outlined below (i.e. a “No Review” letter).** We really appreciate your time and assistance with this process.

Bayada maintains the North Carolina certificates of need (“CON”) listed in Attachment A. For your reference, Attachment B lists all licensed locations of Bayada in North Carolina with each facility’s address and county.

I. Structure of The Transaction

As detailed below, Bayada plans to undergo an internal restructure designed to allow Mr. Joseph Mark Baiada, the sole, current owner of Bayada, to gift all of his interest in Bayada to a 501(c)(3) non-profit corporation. This transaction is designed to enable Bayada to continue in perpetuity to deliver care to its patients.

Under the transaction’s structure, illustrated in the attached organizational chart in Attachment C, there are two steps.

1. In the first step, on December 3, 2018, Mr. Baiada will transfer 100% of his equity in Bayada to Bayada Newco, LLC, a newly formed entity of which he will be sole indirect owner.

2. In the second step, on December 31, 2018, Mr. Baiada will gift 100% of his interest in Bayada Newco, LLC to a newly formed 501(c)(3) non-profit corporation. The non-profit corporation will be the “grandparent” entity of Bayada.

The 501(c)(3) non-profit corporation will be run by a board of directors whose members have expertise and experience in the provision of home health services or issues that are relevant to the provision of health care services.

During the restructuring, Bayada will convert from a corporation to a limited liability company on December 18, 2018, and then back to a corporation on December 31, 2018, but its federal tax identification number and national provider identifier (“NPI”) will remain the same throughout the transaction.

No real estate or money will change hands during the transaction. Instead, Mr. Baiada is gifting all of his interest in Bayada to the 501(c)(3) non-profit corporation without compensation from any individual or entity.

We obtained verification from Nancy Joyce, Administrative Officer for the North Carolina Department of Health and Human Services, Division of Health Services Regulation, that the transaction will not be considered a change of ownership for purposes of the state licenses and that the transaction will not impact Bayada’s state licenses. Additionally, Medicare does not consider this transaction to be a change of ownership. Further, North Carolina Medicaid does not consider this transaction to be a change of ownership.

II. No Impact on CON

This transaction is not expected to affect the CONs held by Bayada. Specifically, there will be no change to Bayada’s provision of services. After the transaction is complete, the same nurses, attendants and administrators will continue to care for Bayada’s patients. Throughout the transaction, Bayada’s state licenses will not be transferred to another party. Instead, Bayada will retain its state licenses after the transaction.¹

As detailed above, the transaction is occurring at the “parent” and “grandparent” level above the licensed provider and there will be no change in Bayada’s state licenses, Medicare certification, or Medicaid enrollment. Bayada will continue to exist, its Medicare and Medicaid provider agreements will remain in place, and its NPIs and federal tax identification number will remain the same. Additionally, Bayada has no intention to change the services it provides or the service areas that it renders services in. Further, Bayada’s day to day operations should not be impacted by the transaction.

Based on our phone conference with Ms. Gloria Hale, we understand that because the transaction does not constitute a change to any of Bayada’s licensed entities that hold a North Carolina CON, the transaction should not trigger a CON review. We understand that the transaction or any other changes in the organizational structure above the licensed entity do not

¹ We obtained verification from Nancy Joyce, Administrative Officer for the North Carolina Department of Health and Human Services, Division of Health Services Regulation, that the transaction will not be considered a change of ownership for purposes of the state licenses and that the transaction will not impact Bayada’s state licenses.

require additional notices or filings prior to the changes taking place. **We also understand that Bayada's existing CONs will not be impacted by the transaction and that we may proceed with the transaction as scheduled.**

We request that your office provide a letter confirming our understanding as outlined above (i.e. a "No Review" letter).

Please advise us if any further information is required. We look forward to hearing from you. Thank you for your assistance with this matter- we really appreciate your time.

Sincerely,

A handwritten signature in blue ink that reads "Alison Hollender". The signature is written in a cursive, slightly slanted style.

Alison Hollender

Enclosures
Attachment A
Attachment B
Attachment C

EXHIBIT A

BAYADA Home Health Care North Carolina CON Information			Attachment A
Name	Location	License #	Facility FID
BAYADA Home Health Care	Albemarle, NC	HC3281	FID 051508
BAYADA Home Health Care	Asheboro, NC	HC3552	FID 061264
BAYADA Home Health Care	Asheville, NC	HC2276	FID 030058
BAYADA Home Health Care	Charlotte, NC	HC0355	FID 953836
BAYADA Home Health Care	Charlotte, NC	HC1705	FID 980888
BAYADA Home Health Care	Charlotte, NC	HC4322	FID 110152
BAYADA Home Health Care	Charlotte, NC	HC2063	FID 010863
BAYADA Home Health Care	Concord, NC	HC0486	FID 943643
BAYADA Home Health Care	Durham, NC	HC2531	FID 040348
BAYADA Home Health Care	Durham, NC	HC4582	FID 120581
BAYADA Home Health Care	Elkin, NC	HC3289	FID 060030
BAYADA Home Health Care	Elkin, NC	HC3858	FID 090596
BAYADA Home Health Care	Fayetteville, NC	HC2408	FID 030825
BAYADA Home Health Care	Gastonia, NC	HC2175	FID 020629
BAYADA Home Health Care	Gastonia, NC	HC0356	FID 953835
BAYADA Home Health Care	Greensboro, NC	HC2577	FID 040719
BAYADA Home Health Care	Greensboro , NC	HC1286	FID 924739
BAYADA Home Health Care	Greensboro, NC	HC1887	FID 000387
BAYADA Home Health Care	Greenville, NC	HC3760	FID 090242
BAYADA Home Health Care	Greenville, NC	HC4580	FID 120561
BAYADA Home Health Care	Hendersonville, NC	HC2482	FID 040068
BAYADA Home Health Care	Hickory, NC	HC2076	FID 010936
BAYADA Home Health Care	Lexington, NC	HC0358	FID 953832
BAYADA Home Health Care	Monroe, NC	HC2426	FID 030993
BAYADA Home Health Care	Morganton, NC	HC3925	FID 090851
BAYADA Home Health Care	Raleigh, NC	HC2171	FID 020477
BAYADA Home Health Care	Raleigh, NC	HC1798	FID 990829
BAYADA Home Health Care	Raleigh, NC	HC3832	FID 090473
BAYADA Home Health Care	Raleigh, NC	HC3820	FID 090405
BAYADA Home Health Care	Roxboro, NC	HC0354	FID 933837
BAYADA Home Health Care	Salisbury, NC	HC3707	FID 070554
BAYADA Home Health Care	Salisbury, NC	HC1969	FID 010160
BAYADA Home Health Care	Salisbury, NC	HC0357	FID 933834
BAYADA Home Health Care	Shelby, NC	HC2893	FID 041529
BAYADA Home Health Care	Waynesville, NC	HC3873	FID 090643
BAYADA Home Health Care	Wilmington, NC	HC4378	FID 110388
BAYADA Home Health Care	Wilmington, NC	HC4566	FID 120454
BAYADA Home Health Care	Winston-Salem, NC	HC0184	FID 943615
BAYADA Home Health Care	Winston-Salem, NC	HC2213	FID 020897
BAYADA Home Health Care	Winston-Salem, NC	HC0005	FID 943833
BAYADA Home Health Care			FID 943643
BAYADA Home Health Care			FID 953836
BAYADA Home Health Care			FID 953832
BAYADA Home Health Care			FID 943833
BAYADA Home Health Care			FID 953835

BAYADA Home Health Care
BAYADA Home Health Care
BAYADA Home Health Care
BAYADA Home Health Care

FID 924739
FID 933837
FID 90405
FID933834

EXHIBIT B

**Bayada North
Carolina Licensed
Entities**

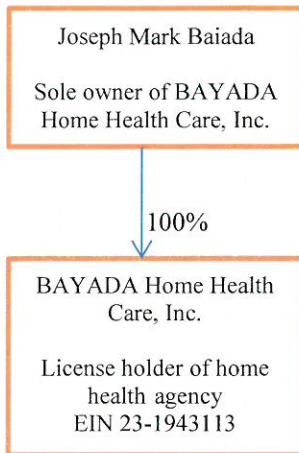
Attachment B

Address					State License Number	State License Type	State License Exp. Date	Medicare Part A Provider #	Medicare Part A Int. Cert. Date	County Location
280 Concord Parkway South	Suite 110B		Concord, NC	28027	HC0486	Home Care	12/31/18	34-7021	1/2/10	Cabarrus
8801 JM Keynes Drive	Suite 350		Charlotte, NC	28262	HC0355	Home Care	12/31/18	34-7087	6/11/12	Mecklenburg
200 South State Street	Suite 7		Lexington, NC	27292	HC0358	Home Care	12/31/18	34-7134	6/11/12	Davidson
1605 Westbrook Plaza Drive	Suite 103		Winston-Salem, NC	27103	HC0005	Home Care	12/31/18	34-7187	6/11/12	Forsyth
1760 Country Club Road	Lower Level		Gastonia, NC	28054	HC0356	Home Care	12/31/18	34-7326	6/11/12	Gaston
1500 Pineroft Road	Suite 119		Greensboro, NC	27407	HC1286	Home Care	12/31/18	34-7211	6/11/12	Guilford
807 North Madison Boulevard			Roxboro, NC	27573	HC0354	Home Care	12/31/18	34-7129	6/11/12	Person
4011 Westchase Boulevard	Suite 290		Raleigh, NC	27607	HC3820	Home Care	12/31/18	34-7243	1/21/2010	Wake
103 Dorsett Drive	Suite 300		Salisbury, NC	28144	HC0357	Home Care	12/31/18	34-7325	6/11/12	Rowan
5505 Creedmoor Road	Suite 220-B	One Cross Pointe Plaza	Raleigh, NC	27612	HC3832	Home Care	12/31/18	N/A	N/A	Wake
1500 Pineroft Road	Suite 204B		Greensboro, NC	27407	HC2577	Home Care	12/31/18	N/A	N/A	Guilford
1500 Pineroft Road	Suite 204B		Greensboro, NC	27407	-	-	-	N/A	N/A	Guilford
1500 Pineroft Road	Suite 204		Greensboro, NC	27407	HC1887	Home Care	12/31/18	N/A	N/A	Guilford
1500 Pineroft Road	Suite 204		Greensboro, NC	27407	-	-	-	N/A	N/A	Guilford
731 North Second Street	Suite C		Albemarle, NC	28001	HC3281	Home Care	12/31/18	N/A	N/A	Stanly
1200 Ridgefield Boulevard	Suite 110		Asheville, NC	28806	-	-	-	N/A	N/A	Buncombe
1200 Ridgefield Boulevard	Suite 110		Asheville, NC	28806	HC2276	Home Care	12/31/18	N/A	N/A	Buncombe
1207 South Cox Street	Suite B		Asheboro, NC	27203	HC3552	Home Care	12/31/18	N/A	N/A	Randolph
7621 Little Avenue	Suite 430		Charlotte, NC	28226	HC4322	Home Care	12/31/18	N/A	N/A	Mecklenburg
7621 Little Avenue	Suite 430		Charlotte, NC	28226	-	-	-	N/A	N/A	Mecklenburg
8801 JM Keynes Drive	Suite 230		Charlotte, NC	28262	HC1705	Home Care	12/31/18	N/A	N/A	Mecklenburg
1985 Tate Boulevard S.E.	Suite 417		Hickory, NC	28602	HC2076	Home Care	12/31/18	N/A	N/A	Catawaba
1985 Tate Boulevard S.E.	Suite 417		Hickory, NC	28602	-	-	-	N/A	N/A	Catawaba
8801 JM Keynes Drive	Suite 205		Charlotte, NC	28262	-	-	-	N/A	N/A	Mecklenburg
8801 JM Keynes Drive	Suite 205		Charlotte, NC	28262	HC2063	Home Care	12/31/18	N/A	N/A	Mecklenburg
8801 JM Keynes Drive	Suite 350		Charlotte, NC	28262	-	-	-	-	-	Mecklenburg
3790 Guess Road	Suite 102		Durham, NC	27705	HC4582	Home Care	12/31/18	N/A	N/A	Durham
3790 Guess Road	Suite 202		Durham, NC	27705	HC2531	Home Care	12/31/18	N/A	N/A	Durham
3419-A Melrose Road			Fayetteville, NC	28304	HC2408	Home Care	12/31/18	N/A	N/A	Cumberland
1810 North Bridge Street	Suite 102-A		Elkin, NC	28621	HC3858	Home Care	12/31/18	N/A	N/A	Surry

1804 North Bridge Street			Elkin, NC	28621	HC3289	Home Care	12/31/18	N/A	N/A	Surry
1605 Westbrook Plaza Drive	Suite 103		Winston-Salem, NC	27103	-	-		-		Forsyth
1560 Union Road			Gastonia, NC	28054	HC2175	Home Care	12/31/18	N/A	N/A	Gaston
1560 Union Road			Gastonia, NC	28054	-	-	-	N/A	N/A	Gaston
2485 Hemby Lane	Suite B		Greenville, NC	27834	HC3760	Home Care	12/31/18	N/A	N/A	Pitt
2485 Hemby Lane	Suite A		Greenville, NC	27834	HC4580	Home Care	12/31/18	N/A	N/A	Pitt
50 South Main Street			Waynesville, NC	28786	HC3873	Home Care	12/31/18	N/A	N/A	Haywood
8801 JM Keynes Drive	Suite 140		Charlotte, NC	28262	N/A	N/A	N/A	N/A	N/A	Mecklenburg
306 White Street	Suite B		Hendersonville, NC	28739	HC2482	Home Care	12/31/18	N/A	N/A	Henderson
2 Centerview Drive	Suite 103		Greensboro, NC	27407	N/A	N/A	N/A	N/A	N/A	
1985 Tate Boulevard S.E.	Suite 417		Hickory, NC	28602	N/A	N/A	N/A	N/A	N/A	
1243 East Dixon Boulevard	Apt B		Shelby, NC	28152	N/A	N/A	N/A	N/A	N/A	
3205 Randall Parkway	Suite 207		Wilmington, NC	28403	N/A	N/A	N/A	N/A	N/A	
1605 Westbrook Plaza Drive	Suite 304		Winston-Salem, NC	27103	N/A	N/A	N/A	N/A	N/A	
2300 West Roosevelt Boulevard	Suites C & D		Monroe, NC	28110	HC2426	Home Care	12/31/18	N/A	N/A	Union
305 South Green Street	Suite 200		Morganton, NC	28655	HC3925	Home Care	12/31/18	N/A	N/A	Burke
1605 Westbrook Plaza Drive	Suite 101		Winston-Salem, NC	27103	HC0184	Home Care	12/31/18	N/A	N/A	Forsyth
4011 Westchase Boulevard	Suite 280		Raleigh, NC	27607	HC2171	Home Care	12/31/18	N/A	N/A	Wake
4011 Westchase Boulevard	Suite 290		Raleigh, NC	27607	-	-	-	-	-	Wake
130 North Arlington Street	Suite A	The Loflin Center	Salisbury, NC	28144	HC3707	Home Care	12/31/18	N/A	N/A	Rowan
130 North Arlington Street	Suite B	The Loflin Center	Salisbury, NC	28144	HC1969	Home Care	12/31/18	N/A	N/A	Rowan
1105-3 E Dixon Boulevard			Shelby, NC	28152	HC2893	Home Care	12/31/18	N/A	N/A	Cleveland
5505 Creedmoor Road	Suite 220-A	One Cross Pointe Plaza	Raleigh, NC	27612	HC1798	Home Care	12/31/18	N/A	N/A	Wake
1605 Westbrook Plaza Drive	Suite 102		Winston-Salem, NC	27103	-	-	-	N/A	N/A	Forsyth
1605 Westbrook Plaza Drive	Suite 102		Winston-Salem, NC	27103	HC2213	Home Care	12/31/18	N/A	N/A	Forsyth
1605 Westbrook Plaza Drive	Suite 102		Winston-Salem, NC	27103	-	-	-	N/A	N/A	Forsyth
219 Station Road	Suite 201		Wilmington, NC	28405	HC4566	Home Care	12/31/18	N/A	N/A	New Hanover
3205 Randall Parkway	Suite 205		Wilmington, NC	28403	HC4378	Home Care	12/31/18	N/A	N/A	New Hanover

EXHIBIT C

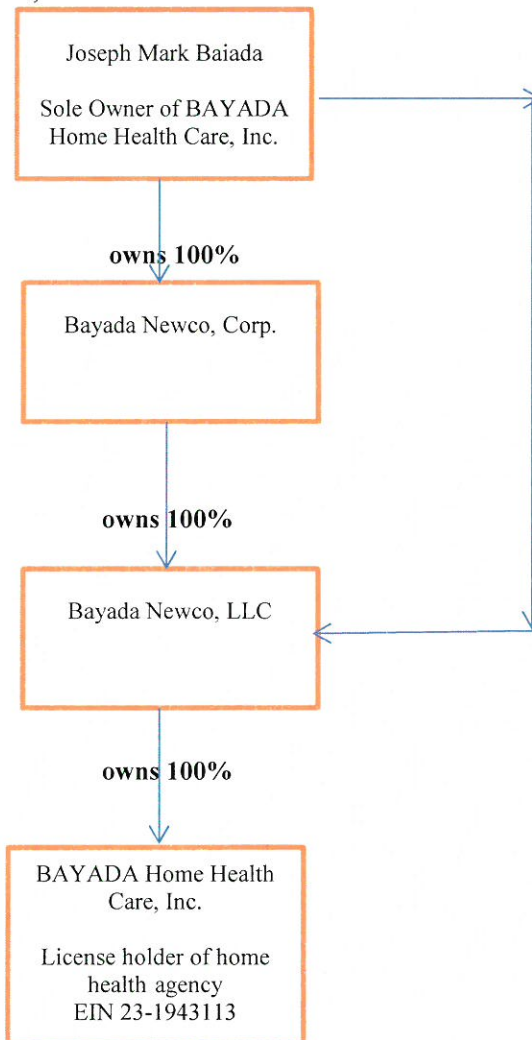
PRE TRANSACTION



TRANSACTION

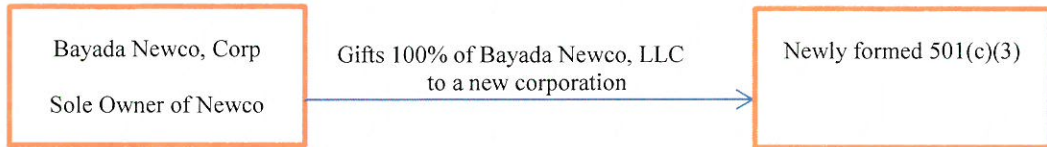
STEP 1:

Joseph Mark Baiada will gift 100% of his ownership of BAYADA Home Health Care, Inc. to a wholly-owned corporate entity, Bayada Newco, LLC.



STEP 2:

In the second step, Joseph Mark Baiada will gift 100% of his interest in Bayada Newco, LLC to a newly formed 501(c)(3) non-profit corporation. The newly formed 501(c)(3) non-profit corporation will be the “grandparent” entity of BAYADA Home Health Care, Inc.



In the meantime, BAYADA Home Health Care, Inc. converts from an “Inc.” to an “LLC,” and back to an “Inc.,” but its EIN will not change.

POST TRANSACTION

