

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

July 25, 2019

J. Melvin Deaton
P.O. 2568
Hickory, NC 28603-2568

Exempt from Review

Record #: 3002
Facility Name: Tarboro Senior Living
FID #: 920129
Business Name: Tarboro Propco, LLC
Business #: 3074
Project Description: Change of ownership
County: Edgecombe

Dear Mr. Deaton:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of July 19, 2019 the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Construction and Adult Care Licensure Sections 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 by you. 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 the Agency. 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.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

[Signature of Lisa Pittman]
Lisa Pittman
Assistant Chief

[Signature of Martha J. Frisone]
Martha J. Frisone
Chief

cc: Construction Section, DHSR
Adult Care Licensure Section, 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: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhhs.gov/dhsr • TEL: 919-855-3873

Tarboro Propco, LLC

Post Office Box 2568
Hickory, North Carolina 28603-2568

July 19, 2019



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

EXEMPT A 3002
BUS ID 3074
POC 443

**Re: Exemption Notice for Tarboro Senior Living fka Open Fields Assisted Living (Adult Care Home in Edgecombe County)
FID#: 920129; Facility License No.: HAL-033-001**

Dear Ms. Frisone:

Tarboro Propco, LLC ("Tarboro Propco") is planning to acquire an adult care home in Edgecombe County, currently known as Open Fields Assisted Living (hereafter "the Facility"). The Facility is located at 3210 Western Boulevard in Tarboro, North Carolina. The Facility is listed in the "Inventory of Adult Care Home Beds" in the 2019 State Medical Facilities Plan as having 130 adult care home beds.

Tarboro 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"). Tarboro 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 130 adult care beds.

I. THE PROPOSAL

As of this date, Principle Long Term 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 Tar River LTC Group, LLC is the Licensee. Tarboro Propco will purchase the Facility, and the Licensee will be Tarboro Opco, LLC. The Facility will be known as Tarboro 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).

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

Ms. Martha Frisone, Chief
Certificate of Need Section
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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).

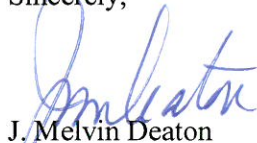
This project involves only the acquisition of an existing adult care home, which falls within the purview of the statutory definition of "health service facility." After acquisition, the Licensee, Tarboro Opco, LLC, will operate the Facility as an adult care home. Furthermore, Tarboro Propco's acquisition 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 Tarboro 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

Service Area	Facility Name	License Number	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 Planning Inventory
							CON	CON Bed Transfer		
Durham	Carillon Assisted Living of Durham (Beds awarded per settlement agreement from 2000 & 2007)	HAL-032-124	0	0	96	96	0	0	0	96
Durham	Carolina Reserve of Durham	HAL-032-123	0	0	60	60	0	0	0	60
Durham	Carver Living Center	NH0543	20	0	0	20	0	0	0	20
Durham	Durham Ridge Assisted Living	HAL-032-091	0	0	142	142	0	0	0	142
Durham	Eden Spring Living Center	HAL-032-073	0	0	19	19	0	0	0	19
Durham	Ellison's Rest Home #1	HAL-032-002	0	0	29	29	0	0	0	29
Durham	Ero Pointe Assisted Living	HAL-032-001	0	0	147	147	0	0	0	147
Durham	Hillcrest Convalescent Center Inc	NH0038	34	0	0	34	0	0	0	34
Durham	Seasons @ Southpoint	HAL-032-109	0	0	51	51	0	0	0	51
Durham Totals			54	0	872	926	0	0	0	926
Edgecombe	Heritage Care of Rocky Mount	HAL-033-005	0	0	126	126	0	0	0	126
Edgecombe	Open Fields Assisted Living	HAL-033-001	0	0	130	130	0	0	0	130
Edgecombe	The Fountains at The Albemarle	NH0352	56	0	0	56	0	0	0	56
Edgecombe Totals			56	0	256	312	0	0	0	312
Forsyth	Accordious Health at Winston Salem	NH0266	40	0	0	40	0	0	0	40
Forsyth	Arbor Ridge at Stanleyville, LLC (Transferred 26 beds from The Crest of Clemmons)		0	0	0	0	0	26	0	26
Forsyth	Brighton Gardens of Winston-Salem	HAL-034-026	0	0	115	115	0	0	0	115
Forsyth	Brookdale Reynolda Road	HAL-034-035	0	0	72	72	0	0	0	72
Forsyth	Brookdale Winston-Salem	HAL-034-027	0	0	38	38	0	0	0	38
Forsyth	Brookstone of Clemmons	HAL-034-102	0	0	40	40	0	0	0	40
Forsyth	C.R.T. - Golden Lamb Rest Home	HAL-034-019	0	0	40	40	0	0	0	40
Forsyth	Carillon Assisted Living Of Clemmons (Beds awarded per settlement agreement from 2000 & 2007)	HAL-034-099	0	0	96	96	0	0	0	96
Forsyth	Clemmons Village I	HAL-034-090	0	0	60	60	0	0	0	60
Forsyth	Clemmons Village II	HAL-034-062	0	0	66	66	0	0	0	66
Forsyth	Creekside Manor	HAL-034-060	0	0	60	60	0	0	0	60
Forsyth	Danby House	HAL-034-093	0	0	100	100	0	0	0	100
Forsyth	Forest Heights Senior Living Community	HAL-034-087	0	0	125	125	0	0	0	125
Forsyth	Homestead Hills Assisted Living	HAL-034-023	0	0	66	66	0	0	0	66
Forsyth	Integrity Assisted Living (Transfer 121 to renamed replacement facility The Crossings at Winston-Salem)	HAL-034-101	0	0	121	121	0	-121	0	0
Forsyth	Kerner Ridge Assisted Living	HAL-034-058	0	0	66	66	0	0	0	66
Forsyth	Magnolia Creek Assisted Living	HAL-034-097	0	0	117	117	0	0	0	117
Forsyth	Memory Care of the Triad	HAL-034-068	0	0	42	42	0	0	0	42
Forsyth	Salem Terrace	HAL-034-098	0	0	142	142	0	0	0	142
Forsyth	Shuler Health Care/Crane Villa	HAL-034-009	0	0	12	12	0	0	0	12
Forsyth	Shuler Health Care/Phillips Villa	HAL-034-010	0	0	12	12	0	0	0	12
Forsyth	Shuler Health Care/Pierce Villa	HAL-034-011	0	0	12	12	0	0	0	12