



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

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

VIA EMAIL ONLY

January 14, 2021

Faisal Gill
fgill@glawoffice.com

Exempt from Review – Acquisition of Facility

Record #: 3462
Date of Request: January 8, 2021
Facility Name: Randolph Hospital, Inc.
Type of Facility: Hospital
FID #: 933425
Acquisition by: American Healthcare Systems, LLC
Business #: 3332
County: Randolph

Dear Mr. Faisal:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that the project described above is exempt from certificate of need (CON) review in accordance with G.S. 131E-184(a)(8). Therefore, the above referenced business may proceed to acquire the health service facility identified above without first obtaining a CON. The Agency's determination is limited to the question of whether the above referenced business would have to obtain a CON if the current owners of the health service facility do in fact sell it to the business listed above. Note that pursuant to G.S. 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."

If the business listed above does acquire the facility, you should contact the Agency's Acute and Home Care Licensure and Certification Section to obtain instructions for changing ownership of the existing facility.

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 regarding whether a certificate of need would be required. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Celia C. Inman
Project Analyst

Lisa Pittman
Assistant Chief, Certificate of Need

cc: Acute and Home Care Licensure and Certification 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
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^ Admitted to practice in CA, DC, LA, VT

Faisal Gill

Direct: (310)418-6675

fgill@glawoffice.com

January 7, 2021

Via Electronic Mail

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

Re: Notice of Exemption Acquisition
Randolph Hospital, Inc. d/b/a Randolph Health, and certain of its subsidiaries and affiliates
Randolph County
Health Service Area II

Dear Ms. Frisone:

Pursuant to N.C. Gen. Stat. § 131E-184(a)(8), I am writing on behalf of American Healthcare Systems, LLC (“Buyer”) to provide prior written notice of Buyer’s intention to acquire substantially all of the assets of Randolph Hospital, Inc. d/b/a Randolph Health (“Randolph Health”) and certain subsidiaries and affiliates (hereafter, the “Transaction”).¹ Randolph Health is a nonprofit corporation providing health care services to residents of Randolph County and surrounding areas in North Carolina. The sellers in the Transaction are Randolph Health, Randolph Specialty Group Practice, and MRI of Asheboro, LLC d/b/a Randolph Health MRI Center (collectively, the “Sellers”).

As you may know, Randolph Health is currently under bankruptcy protection. Buyer’s bid to acquire substantially all of Randolph Health’s operating assets has received bankruptcy court approval. The Transaction will keep the hospital open, ensuring continued local access to health care services in Randolph County while preserving the jobs of Randolph Health employees.

¹ Certain assets of the entities involved in the Transaction are “excluded assets,” meaning that they are not being acquired by Buyer. However, none of those excluded assets is pertinent to this Notice of Exempt Acquisition.

Randolph Health’s primary location is 364 White Oak St, Asheboro, NC 27203. Exhibit A to this letter contains a complete list of all Randolph Health “health service facilities,” as that term is defined in the CON Law at N.C. Gen. Stat. § 131E-176(9b), whose assets are being acquired pursuant to the Transaction. Other health care related assets that are not “health service facilities” under the CON Law will also be acquired. Randolph Health and its subsidiaries and affiliates do not have any undeveloped CONs or any CON applications that are currently under review.

N.C. Gen. Stat. § 131E-184(a)(8) provides that upon prior written notice, the Department shall exempt from CON review the acquisition of an existing health service facility, including equipment owned by the health service facility at the time of acquisition, which notice contains an explanation of why the new institutional health service is needed. “Health service facility” includes the following: hospitals, long-term care hospitals, psychiatric facilities, rehabilitation facilities, nursing homes, adult care homes, kidney disease treatment centers, intermediate care facilities for individuals with intellectual disabilities, home health agency offices, chemical dependency treatment facilities, diagnostic centers, hospice offices, hospice inpatient facilities, hospice residential facilities and ambulatory surgery centers. N.C Gen. Stat. § 131E-176(9b).

Through an Asset Purchase Agreement dated October 8, 2020 (the “Agreement”), Buyer intends to acquire numerous health service facilities and items of medical equipment from Sellers as set forth on **Exhibit A** (collectively, the “Health Service Facilities”). Buyer intends to continue to operate the Health Service Facilities at their present locations. The approval of this exemption will allow the Health Service Facilities to continue to serve patients under new ownership.

As Buyer expects to close this Transaction by February 17, 2021, we would appreciate your prompt response to this letter, confirming that no CON is required for the Transaction. Please let me know if you have any questions or need any additional information. Counsel for Sellers, Robert L. Wilson, Jr. of Nelson Mullins Riley & Scarborough LLP, has indicated Sellers’ agreement to the foregoing through his signature below.

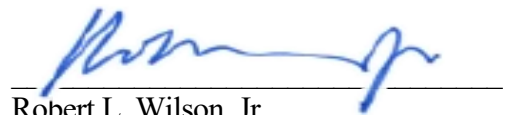
Sincerely,



Faisal Gill

Enclosure

Agreed:



Robert L. Wilson, Jr.
Nelson Mullins Riley & Scarborough LLP
Counsel for Sellers

EXHIBIT A

LIST OF HEALTH SERVICE FACILITIES TO BE ACQUIRED

Name of Health Service Facility	Address	License and/or Facility ID Number	Notes
Randolph Hospital, Inc. d/b/a Randolph Health	364 White Oak St, Asheboro, NC 27203	License #: H0013 FID #933425	
MRI of Asheboro, LLC d/b/a Randolph Health MRI Center	237 N. Fayetteville St., Suite B Asheboro, NC 27203	FID #140366	Randolph Hospital, Inc. is the sole member
Central Piedmont Surgery Center, LLC	364 White Oak St, Asheboro, NC 27203	FID #090503	Through a 2014 no review, the surgery center became a department of Randolph Hospital under the hospital's license
Randolph Specialty Group Practice d/b/a Randolph Health Endoscopy Center	700 Sunset Ave. Asheboro, NC 27203	License # AS0054 FID # 942945	Randolph Hospital, Inc. is the sole member
Home Health of Randolph Hospital	341 N. Fayetteville St. Asheboro, NC 27203	License # HC0522 FID #953848	